The City of South Salt Lake State of Utah

Annual Comprehensive Financial Report

For Fiscal Year Ended June 30, 2022



CITY OF South Salt Lake

STATE OF UTAH

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2022

Prepared By:

South Salt Lake Finance Department

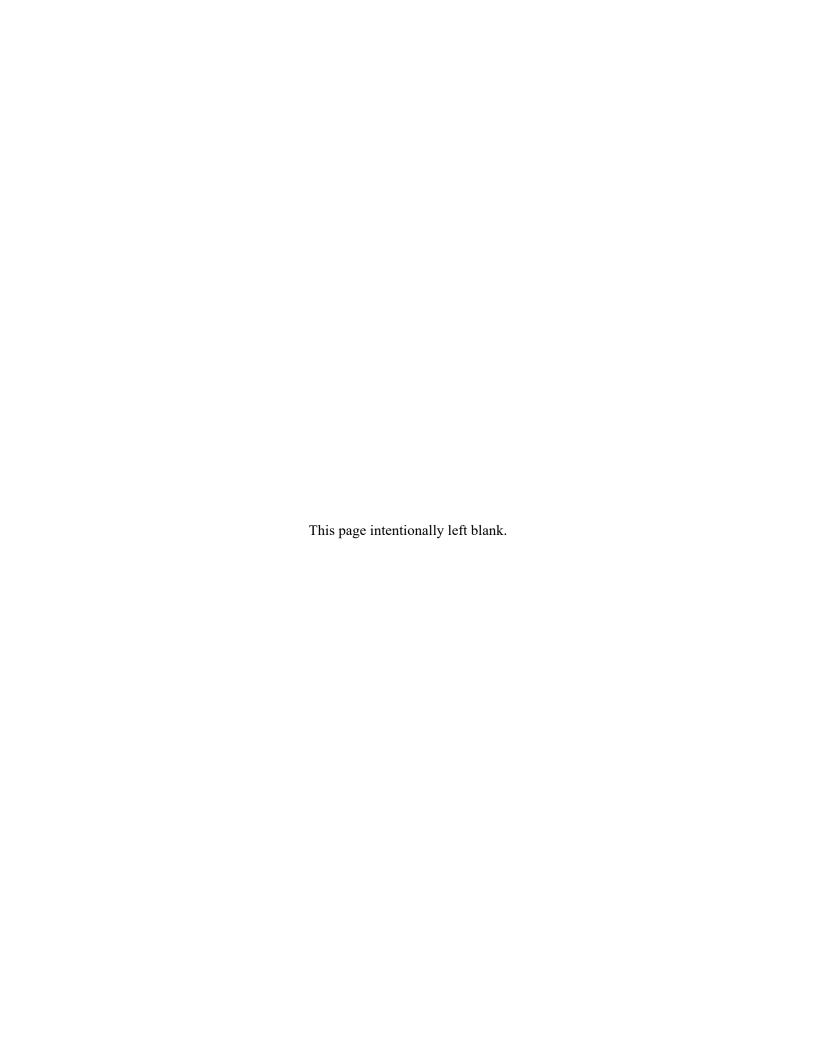
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Introductory Section





Finance Department 220 East Morris Avenue #200 South Salt Lake City, UT 84115-3200 Phone (801) 483-6000 Fax (801) 483-6001

December 22, 2022

To the Honorable Mayor, Members of the City Council, and Citizens of the City of South Salt Lake, Utah:

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with United States Generally Accepted Accounting Principles (GAAP) and audited in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the Annual Comprehensive Financial Report (ACFR) of the City of South Salt Lake (the City) for the fiscal year ended June 30, 2022.

This report consists of management's representations concerning the finances of the City of South Salt Lake. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, the management of the City of South Salt Lake has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of South Salt Lake's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City of South Salt Lake's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of South Salt Lake's financial statements have been audited by Squire & Company, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of South Salt Lake for the fiscal year ended June 30, 2022, are free of material misstatement. The independent audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified "clean" opinion that the City of South Salt Lake's financial statements for the fiscal year ended June 30, 2022, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City of South Salt Lake was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls

and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the City of South Salt Lake's Single Audit Report. GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City of South Salt Lake's MD&A can be found immediately following the report of the independent auditors.

Profile of the City of South Salt Lake

The City of South Salt Lake is a fourth-class city incorporated in 1938 under provisions of the State of Utah. South Salt Lake City is located in Salt Lake County in the heart of the greater Wasatch Front area. The City of South Salt Lake currently occupies a land area of 7.03 square miles and serves a population of approximately 26,777. South Salt Lake is empowered to levy a property tax on both real and personal properties located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the governing council and allowable by state law.

The City of South Salt Lake has operated under the council-mayor alternative form of government in conformity with Utah Law (Section 10-3-12) since 1990. The seven-member city council performs all legislative functions and is responsible for, among other things, passing ordinances and adopting the budget. The mayor performs all administrative functions, oversees day-to-day operations, and appoints department heads and boards with the consent of the city council. The mayor is elected to serve a four-year term. City council members serve four-year staggered terms. Five of the city council members are elected by district and two are elected at large.

The City of South Salt Lake provides a full range of services including: police and fire protection, municipal court, the construction and maintenance of streets, roads, and other infrastructure, planning and zoning services, recreational activities and cultural events, solid waste collection and disposal, water and sewer utility services. The City of South Salt Lake has two component units, the Redevelopment Agency of South Salt Lake, established in 1982, and the South Salt Lake Municipal Building Authority, established in 1996. The Municipal Building Authority currently has no assets, transactions, or budget. The Redevelopment Agency is governed by a board that is comprised of the city council, with the mayor serving as chief administrative officer. The Municipal Building Authority is governed by a board consisting of the city council. Additional information on the Redevelopment Agency can be found in Note 10 in the notes to the financial statements.

The annual budget serves as the foundation for the City of South Salt Lake's financial planning and control. The Uniform Fiscal Procedures Act adopted by the State of Utah governs budgetary procedures for the City of South Salt Lake. In compliance with this Act, the mayor presents a tentative budget to the city council for adoption no later than the first regularly scheduled city council meeting in May. The Redevelopment Agency budget is presented to the board as required by state law. The city council is required to hold public hearings on the proposed budget and to adopt a budget by June 30th. The council is required to adopt a final budget by no later than June 30th, the close of the City of South Salt Lake's fiscal year. The appropriated budget is prepared by fund (e.g. general), function (e.g. public safety), and department (e.g. police). The mayor may make transfers of appropriations within a department. However, transfers of appropriations between departments require the approval of the city council. Budget-to-actual comparisons are provided in this report for the General Fund, Capital Projects Fund, and the Redevelopment Agency. The budget-to-actual comparisons for these funds, with appropriated annual budgets, are presented in the governmental fund subsection of this report.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the environment within which the City of South Salt Lake exists.

Local Economy

Early in FY 2021 it was apparent that the revenue situation was not going to be as bad as anticipated. Sales tax revenue recognized in FY 2021 had increased approximately 14% more when compared to the prior fiscal year. There was an increase of approximately 24% when compared to sales taxes received in FY 2019. Part of the reason for revenue being larger than estimated was due to the federal stimulus program that taxpayers received. Many people had additional disposable income to expend on taxable goods. Also, construction projects continued to progress thus creating a demand for construction supplies. In particular, housing construction activity is at record levels. South Salt Lake derives sales taxes from the sales of construction supplies. Also, vehicle sales remained strong. South Salt Lake does not derive much revenue from the travel, restaurant, and hospitality sectors which were severely impacted by the pandemic.

Local governments, including South Salt Lake, rely on the sales tax to finance essential public services. There is no way to determine with any certainty what to expect economically while still experiencing the impacts of the pandemic. Lingering items such as employee shortages, supply chain interruptions, etc. will have an economic impact. However, the continuation of positive economic conditions and unemployment improvement have enabled the city to experience continued increases in sales tax revenue in FY 2022.

In 2022, the City Council voted to keep the same property tax rate of 0.1536% instead of accepting a lower rate that Salt Lake County had calculated. In addition, the City Council voted to institute a new special revenue property tax to provide a sustainable source of funding for public safety operations. As a result, property tax revenue is expected to increase moderately in the coming year. With construction activity remaining robust, an increase in assessed valuation due to new growth is expected. Due to inflation and a strong resale market for existing housing, it is further expected to see increases in assessed valuation from existing homes, as well.

Several new developments have been proposed, are in planning stages, or are in construction, and when completed, will contribute to an increase in property tax revenue. There have been several large multi-family housing developments constructed along transit corridors within the city. This results in an increase in property valuations as well as an increase in population. Certain revenues which are distributed to the city by the State of Utah contains a population component in the calculations. The city should begin to receive a modest increase in sales taxes, Class C road funds, and some others due to a population increase as certified by the 2020 Census.

Long-Term Financial Planning Approximately 35% of property within the city is exempt from property taxes. This condition is due to the fact that many county and regional public facilities are located within city boundaries. The Salt Lake County Adult Detention Center (jail), Utah Transit Authority facilities, Central Valley Water Reclamation Facility, Salt Lake County Solid Waste Transfer Station, Granite School District office/facilities and other public infrastructure are located in the city and occupy many acres of property.

In November 2019 a new 300 bed homeless resource facility began operations in South Salt Lake. The users of that facility require services from the city, particularly police and emergency medical services. Though the city receives financial assistance from the state there are still significant unfunded costs associated with providing services to, and around, the facility. The city must be able to provide services for the facilities mentioned above as well as its residents and businesses. Due to the

fact that the above public entities do not pay property taxes, the sales tax is used to finance adequate police, public works, and fire services.

As a result of the factors above, the city relies heavily on sales tax revenue to provide city services. Sales taxes allow the residents of South Salt Lake to receive the same level of services that residents of other Utah cities enjoy. City officials work diligently to maintain an environment that is conducive to business.

The city has adequate cash reserves to fund cash flow requirements during the year. In the first few months of the fiscal year the city uses these cash reserves to cover cash requirements eliminating the need to issue tax & revenue anticipation notes. The city begins to receive sales tax revenue in September and property tax revenue in November.

Annually the city allocates as much sales tax revenue as possible into the capital improvements fund. The city utilizes a conservative approach to issuing debt and almost always uses a "pay as you go" approach to acquiring capital assets. Class C road funds, derived from gasoline taxes are reserved and used to fund large road construction and maintenance projects. Class C funds are received six times per year and can be carried forward from year to year until projects are undertaken. In addition, the city receives revenue from a county option transportation sales tax. South Salt Lake receives a portion of that levy to use towards road and transportation projects.

Legislation was approved at the state level in 2018 to make funding available to jurisdictions who provide public safety services to homeless resource centers. The city received approximately \$2,143,000 in FY 2022 to partially offset costs incurred to provide public safety services to the homeless center. The city has been authorized to receive approximately \$2,624,000 in FY 2023.

Current Period Financial Events

As required by the Governmental Accounting Standards Board, GASB Statement 68 reports the city's net pension assets and liabilities in FY 2022. Although the city is a member of the Utah Retirement Systems, and relies on URS for all retirement activities on behalf of its employees, the city must still report its pro-rata share of pension assets and liabilities. The city had a net pension asset of \$8,940,138 and a net pension liability of \$0 in FY 2022. These results are based on information provided by Utah Retirement Systems. These results indicate that Utah Retirement Systems is currently funded adequately in order to satisfy future obligations.

The city received over \$8,500,000 in grants and assistance from federal, state, county, and private sources. Much of this funding is used to provide afterschool services to South Salt Lake, and neighboring, youth and adults. Programs which provide academic and prevention services are administered from 14 school based and community locations. Approximately 2,700 youth and adults are served through these programs. Other uses of the grant funding include; COVID-19/ARP assistance (\$1,537,000), public safety (\$2,479,000) and public improvements (\$1,129,000).

Sales tax revenue, including the City Option Sales Tax, increased by approximately \$3,034,000 when compared to FY 2021. This amount represents an approximate increase of 16%. The city anticipates that sales tax revenue will increase in the ensuing year due to the factors stated earlier.

Approximately 50% of the residents and businesses in South Salt Lake are connected to the city's waste water collection system. The South Salt Lake system is part of the Central Valley Water Reclamation Facility (CVWRF). In FY 2018 the CVWRF began a significant project to update the plant and add new treatment processes. The city's entire portion of the costs will be approximately \$16,500,000. The city participated in an initial financing arrangement for the first \$3,200,000 of the obligation. In December 2018 the city was awarded, by the Utah State Division of Water Quality, a

\$2,000,000 grant and a \$9,248,000 no interest loan to finance construction through 2024. In 2022, the City was able to obtain additional financing from the Department of Water Quality to supplement its debt obligation for this project. The City received an additional \$1.76 million of new award funding that will be principal forgiven at the completion of the project. It also received an additional \$1.5 million authorized for issuance of bonds. This additional amount carries a 0% interest rate and is repayable over 20 years, beginning in 2025. The funding was authorized in May 2022 and the closing for the bond issuance occurred in September 2022.

Awards and acknowledgements

The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of South Salt Lake for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2021. This was the eighteenth consecutive year that the city has received this prestigious award. In order to be awarded a Certificate of Achievement, the city must publish an easily readable and efficiently organized ACFR. This report must satisfy both generally accepted account principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current ACFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the finance and administration departments. I would like to express appreciation to all members of the finance department who assisted in the preparation of this report. I also appreciate the professional service and assistance rendered by the auditing firm of Squire & Company. Credit also must be given to the mayor and city council for their unfailing support for maintaining the highest standards of professionalism and integrity in the management of the finances of the City of South Salt Lake.

Respectfully submitted,

Crystal Makin, CPA Director of Finance



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of South Salt Lake Utah

For its Annual Comprehensive Financial Report For the Fiscal Year Ended

June 30, 2021

Christopher P. Morrill

Executive Director/CEO

City of South Salt Lake Principal Officials June 30, 2022

Cherie Wood Mayor

Clarissa Williams Council Member at Large

Natalie Pinkney Council Member at Large

Leanne Huff Council Member District 1

Corey Thomas Council Member District 2

Sharla Bynum Council Member District 3

Portia Mila Council Member District 4

Shane Siwik Council Member District 5

Jack Carruth Police Chief

Terry Addison Fire Chief

Dennis Pay City Engineer

Josh Collins City Attorney

Crystal Makin Finance Director

Craig Burton City Recorder

Charee Peck City Treasurer/Chief of Staff

Randy Sant Interim Community Development

Director

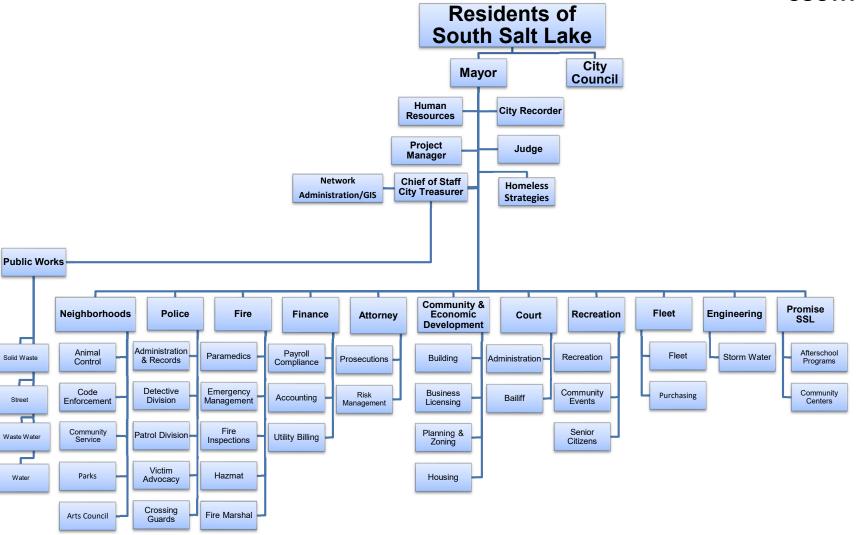
Aaron Wiet Recreation Director

Sharen Hauri Neighborhoods Director

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2021 City Organization Chart





Financial Section



INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of the City Council City of South Salt Lake, Utah

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of South Salt Lake, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City of South Salt Lake's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of South Salt Lake, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of South Salt Lake and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The City of South Salt Lake's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of South Salt Lake's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of South Salt Lake's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of South Salt Lake's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control—related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on page 4 through 14, budgetary comparison information on page 53, and pension schedules on pages 54 through 56 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of South Salt Lake's basic financial statements. The introductory section, budgetary comparison information for nonmajor governmental funds, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and is also not a required part of the basic financial statements.

The budgetary comparison information for capital projects fund and redevelopment agency, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison information for the capital projects fund and redevelopment agency, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

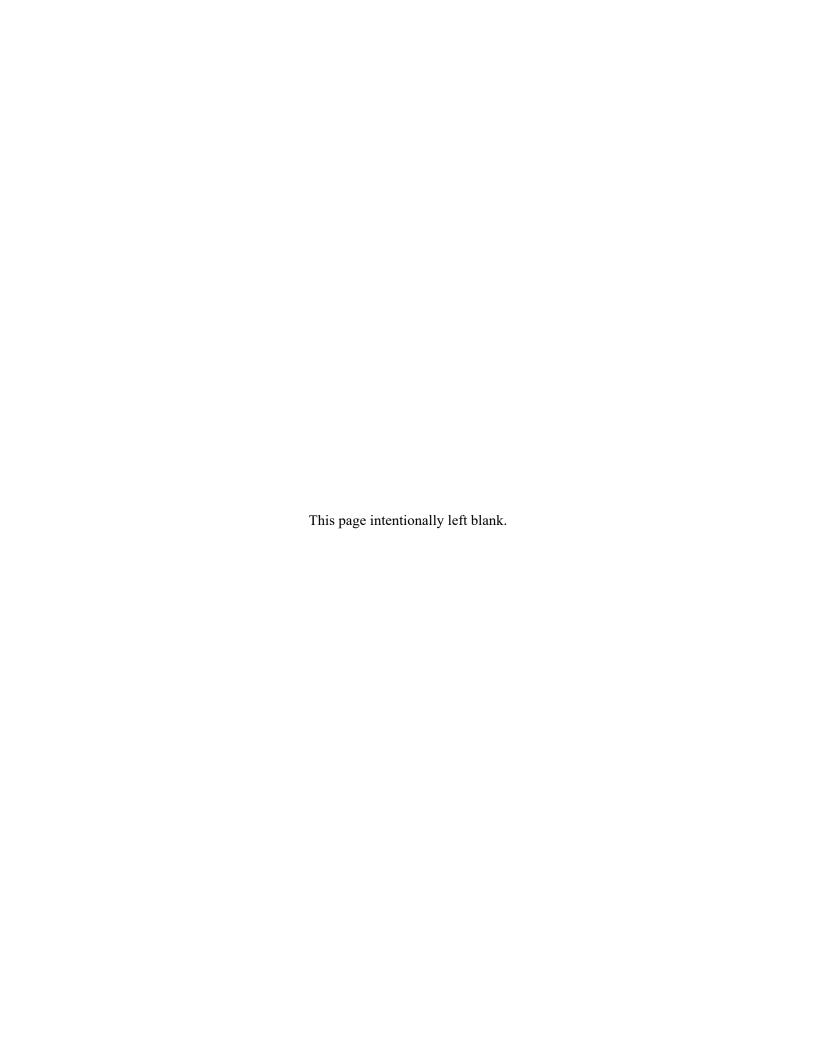
The introductory and statistical sections have not been subjected to the auditing procedures applied in the audits of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

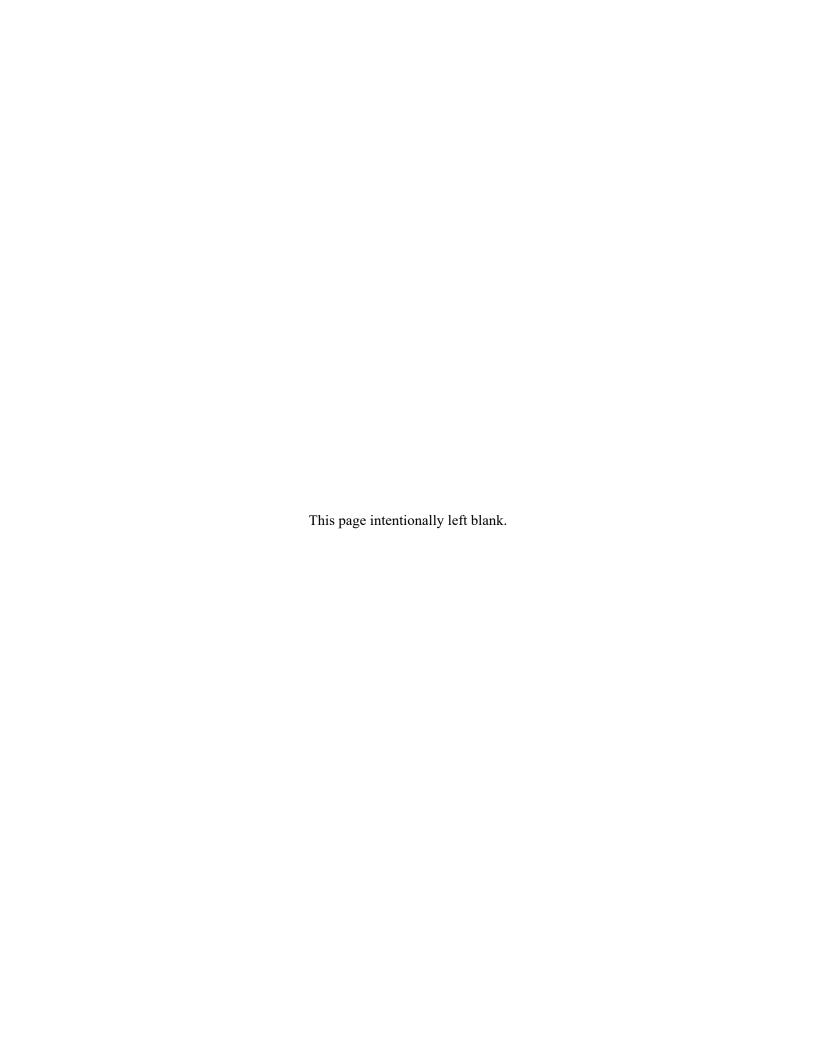
In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2022, on our consideration of the City of South Salt Lake's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of South Salt Lake's internal control over financial reporting and compliance.

Salt Lake City, Utah December 22, 2022

Squire & Company, PC



MANAGEMENT'S DISCUSSION AND ANALYSIS



Management's Discussion and Analysis

As management of the City of South Salt Lake, we offer readers of the City of South Salt Lake's financial statements this narrative overview and analysis of the financial activities of the City of South Salt Lake for the fiscal year ended June 30, 2022. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

Financial Highlights

- The assets and deferred outflows of resources of the City of South Salt Lake exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$110,566,892 (*net position*). Of this amount, \$37,979,030 represents unrestricted net position, which may be used to meet the City's ongoing obligations to citizens and creditors.
- The City of South Salt Lake's total net position increased \$10,645,951 mainly due to increases in sales tax revenue and a property tax increase for 2022. Also, governmental activities expenses were less than expected, and revenue increased during the fiscal year which led to the increase in net position. Net position in business-type activities decreased significantly due to costs related to Central Valley Water Reclamation Facility (CVWRF) bond obligations recorded by the City during the current year.
- As of the close of the current fiscal year, the City of South Salt Lake's governmental funds reported combined fund balances of \$46,079,405, an increase of \$4,571,174 in comparison with the prior year. Approximately 31% of this amount (\$14,385,355) is available for spending at the City's discretion (unassigned fund balance).
- At the end of the current fiscal year, unrestricted fund balance (classified as *unassigned fund balance*) for the general fund was \$14,385,355, or approximately 40% of total general fund expenditures.
- Total sales tax revenue increased by approximately \$3,074,000 in fiscal year 2022 when compared to fiscal year 2021, which represents an approximate 16% increase.
- The City expended approximately \$3,798,000 in federal grants and awards during the fiscal year. This represents a decrease of approximately \$965,000 (20%) when compared to fiscal year 2021. The decrease is mainly due to COVID relief funding available in the prior year that was not available in the current year.
- Long-term debt (including obligation under CVWRF bonds) increased by approximately \$1,585,000 during the fiscal year. This net increase is mainly due to obligations under additional CVWRF bonds, offset by scheduled debt service on existing revenue bonds.
- During fiscal year 2022, the City received funds from the Utah State Department of Workforce Services to partially fund public safety costs directly related to the placement of the homeless resource center in the City. Approximately \$2,143,000 was received and used to retain the required police officers and emergency medical personnel.
- The City was awarded approximately \$1,513,000 in American Rescue Plan (ARP) funds during fiscal year 2022.
- Work continued on the upgrade of the Central Valley Water Reclamation Facility. The City is responsible for approximately 5% of the costs associated with the wastewater treatment facility project. During fiscal year 2022, the City expended approximately \$4,128,000 on the project. Of that amount, approximately \$550,000 was funded with bond proceeds.

Overview of the Financial Statements

This discussion and analysis provided here are intended to serve as an introduction to the City of South Salt Lake's basic financial statements. The City of South Salt Lake's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also includes supplementary intended to furnish additional detail to support the basic financial statements themselves.

Government-wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the City of South Salt Lake's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City of South Salt Lake's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of South Salt Lake is improving or deteriorating.

The *statement of activities* presents information showing how the City of South Salt Lake's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of South Salt Lake that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City of South Salt Lake include general government, public safety, highways and public improvements, parks, recreation and culture, and redevelopment. The business-type activities of the City of South Salt Lake include water and sewer utilities, solid waste collection, ambulance services, and housing.

The government-wide financial statements include two component units, the Redevelopment Agency of South Salt Lake and the Municipal Building Authority of South Salt Lake. Financial information for the component units is blended with the primary government.

The government-wide financial statements can be found on pages 15-17.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of South Salt Lake, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of South Salt Lake can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable

resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City of South Salt Lake maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the capital projects fund, both of which are considered to be major funds. Data from the other governmental fund is presented as a nonmajor fund.

The City of South Salt Lake adopts annual appropriated budgets for its general fund and redevelopment agency. Budgetary comparison schedules have been provided for the general fund and redevelopment agency to demonstrate compliance with these budgets.

The basic governmental fund financial statements can be found on pages 18-21 of this report.

Proprietary Funds

The City of South Salt Lake maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City of South Salt Lake uses enterprise funds to account for its Water and Sewer Utilities and Solid Waste Collection. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses an internal service fund to account for its Insurance Reserve Fund. Because this service predominantly benefits governmental rather than business-type functions, it has been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water Utility and Sewer Utility, both of which are considered to be major funds. Data from the other proprietary fund is presented as a nonmajor fund.

The basic proprietary fund financial statements can be found on pages 22-26 of this report.

Notes to the Financial Statements

The notes provide additional financial information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found starting on page 27 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents *required* supplementary information concerning the budgetary comparison schedules for the general fund and the

redevelopment agency, as well as net pension liability schedules. Required supplementary information can be found on pages 53-58 of this report.

The budgetary comparison schedules for the capital projects fund and redevelopment agency are presented immediately following the required supplementary information. These schedules can be found on pages 59-61 of this report.

Government-wide Overall Financial Analysis

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the City of South Salt Lake, assets exceeded liabilities by \$110,566,892 at the close of the most recent fiscal year.

City of South Salt Lake's Net Position

	Governmen	ntal Activities	Business-ty	pe Activities	Total			
	2022	2021	2022	2021	2022	2021		
Current and other assets	\$ 74,445,552	\$ 55,941,590	\$ 9,784,837	\$ 12,498,998	\$ 84,230,389	\$ 68,440,588		
Capital assets	51,286,605	50,098,078	10,362,223	10,655,375	61,648,828	60,753,453		
Total assets	125,732,157	106,039,668	20,147,060	23,154,373	145,879,217	129,194,041		
Total deferred outflows of								
resources	3,792,027	2,957,443	195,777	97,119	3,987,804	3,054,562		
Other liabilities	9,464,868	7,696,442	483,642	1,016,315	9,948,510	8,712,757		
Long-term liabilities outstanding	9,019,773	11,964,359	8,747,491	5,933,185	17,767,264	17,897,544		
Total liabilities	18,484,641	19,660,801	9,231,133	6,949,500	27,715,774	26,610,301		
Total deferred inflows of resources	11,138,325	5,508,514	446,030	208,847	11,584,355	5,717,361		
Net position:								
Net investment in capital assets	51,286,605	50,098,078	10,362,223	10,407,875	61,648,828	60,505,953		
Restricted	9,229,942	9,193,582	1,709,092	3,044,207	10,939,034	12,237,789		
Unrestricted	39,384,671	24,536,136	(1,405,641)	2,641,063	37,979,030	27,177,199		
Total net position	\$ 99,901,218	\$ 83,827,796	\$ 10,665,674	\$ 16,093,145	\$ 110,566,892	\$ 99,920,941		

By far the largest portion of the City of South Salt Lake's net position (56%) reflects its investment in capital assets (e.g., land, buildings, improvements, machinery and equipment, and infrastructure), less any related outstanding debt that was used to acquire those assets. The City of South Salt Lake uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the City of South Salt Lake's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City of South Salt Lake's net position (10%) represents resources that are subject to external restrictions on how they may be used. The remaining 34% (\$37,979,030) is unrestricted and may be used to meet the City's ongoing obligations to its citizens and creditors.

At the end of the current fiscal year, the City of South Salt Lake is able to report positive balances in all reported categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

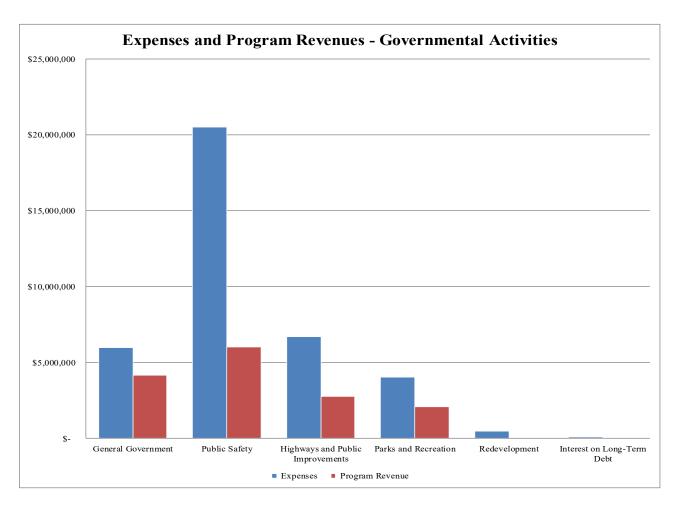
The City of South Salt Lake's overall net position increased \$10,645,951 from the prior fiscal year. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

Governmental Activities

During the current fiscal year, net position for governmental activities increased \$16,073,422 from the prior fiscal year for an ending balance of \$99,901,218. The increase in the overall net position of governmental activities is primarily due to an increase in property taxes due to rate increase, as well as continued increases in sales tax revenue.

City of South Salt Lake's Changes in Net Position

	Governmen	ntal Activities	Business-ty	ype Activities	Total			
	2022	2021	2022	2021	2022	2021		
Revenues:								
Program revenues:								
Charges for services	\$ 5,647,012	\$ 5,337,818	\$ 6,261,626	\$ 6,556,737	\$ 11,908,638	\$ 11,894,555		
Operating grants and contributions	7,626,529	7,109,452	-	-	7,626,529	7,109,452		
Capital grants and contributions	1,754,221	5,315,742	-	-	1,754,221	5,315,742		
General revenues:								
Property taxes	12,788,995	5,934,358	-	-	12,788,995	5,934,358		
Sales taxes	22,514,659	19,440,818	-	-	22,514,659	19,440,818		
Other taxes	3,183,105	2,970,799	-	-	3,183,105	2,970,799		
Other	320,396	276,271	30,151	16,572	350,547	292,843		
Total revenues	53,834,917	46,385,258	6,291,777	6,573,309	60,126,694	52,958,567		
Expenses:								
General government	5,988,389	5,832,438	-	-	5,988,389	5,832,438		
Public safety	20,509,478	19,432,202	-	-	20,509,478	19,432,202		
Highways and public improvements	6,689,438	6,854,295	-	-	6,689,438	6,854,295		
Parks, recreation and culture	4,013,946	3,230,083	-	-	4,013,946	3,230,083		
Redevelopment	465,957	158,055	-	-	465,957	158,055		
Interest on long-term debt	94,287	454,698	-	-	94,287	454,698		
Water utility	-	-	2,804,002	2,463,473	2,804,002	2,463,473		
Sewer utility	-	-	8,398,992	4,117,546	8,398,992	4,117,546		
Solid waste collection			516,254	512,032	516,254	512,032		
Total expenses	37,761,495	35,961,771	11,719,248	7,093,051	49,480,743	43,054,822		
Increase (decrease) in net position								
before transfers	16,073,422	10,423,487	(5,427,471)	(519,742)	10,645,951	9,903,745		
Transfers	-	-	· -	-	-	-		
Increase (decrease) in net position	16,073,422	10,423,487	(5,427,471)	(519,742)	10,645,951	9,903,745		
Net position - beginning	83,827,796	73,404,309	16,093,145	16,612,887	99,920,941	90,017,196		
Net position - ending	\$ 99,901,218	\$ 83,827,796	\$ 10,665,674	\$ 16,093,145	\$ 110,566,892	\$ 99,920,941		



Business-type Activities

For the City of South Salt Lake's business-type activities, overall net position decreased to an ending balance of \$10,665,674. The total decrease in net position for business-type activities was \$5,427,471 from the prior fiscal year. Increases in sewer utility expenses (related to Central Valley), including approximately \$2,645,000 in expense related to the City's share of newly issued Central Valley sewer revenue bonds, contributed to the decrease in net position.

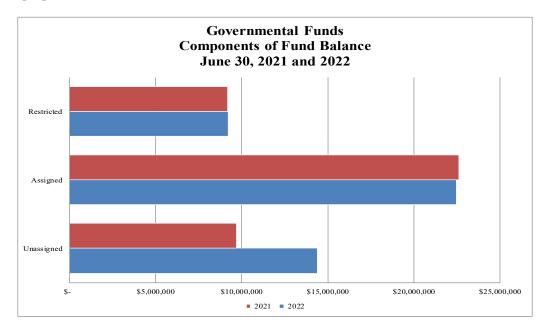
Financial Analysis of the Government's Funds

As noted earlier, the City of South Salt Lake uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the City of South Salt Lake's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City of South Salt Lake's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the City of South Salt Lake itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the City of South Salt Lake's City Council.

At June 30, 2022, the City of South Salt Lake's governmental funds reported combined fund balances of \$46,079,405, an increase of \$4,571,174 in comparison with the prior year. Approximately 31% of this amount (\$14,385,355) constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of the fund balance is either *restricted* or *assigned* to indicate that it is 1) legally required to be maintained intact (\$9,229,942) or 2) assigned by the city council for particular purposes (\$22,464,108).



The general fund is the chief operating fund of the City of South Salt Lake. At the end of the current fiscal year, unassigned fund balance and total fund balance of the general fund was \$14,385,355 and \$18,242,807, respectively. As a measure of the general fund's liquidity, it may be useful to compare total fund balance to total general fund expenditures. Unassigned fund balance represents approximately 40% of total general fund expenditures.

The fund balance of the City of South Salt Lake's general fund increased by \$4,827,980 during the current fiscal year. This increase is primarily due to a significant increase in the amount of sales tax revenue allocated to the general fund (with less going to the capital projects fund compared to the prior year).

The capital projects fund, a major governmental fund, had a \$(142,935) decrease in fund balance during the current fiscal year. Assigned fund balance decreased by \$1,026,778 and restricted fund balance decreased by \$116,157. The decrease is largely due to less sales tax revenue allocated to this fund compared to the prior year.

The redevelopment agency had a decrease in fund balance during the current year of \$(113,871) to bring the year end fund balance to \$3,943,807. The decrease is mainly due to redevelopment costs.

Proprietary Funds

The City of South Salt Lake's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the Water Utility Fund at the end of the year was \$125,057, an increase of \$222,215, and for the Sewer Utility Fund was (\$1,802,562), a decrease of \$4,270,399. The Water Utility Fund had a net loss overall, but unrestricted net position increased due to the use of restricted funds for capital projects, reducing the amount of restricted net position. The decrease in the Sewer Utility Fund is a result of additional sewer treatment and other CVWRF costs, including approximately \$2,645,000 in bond participation expense related to new CVWRF revenue bonds. There was a slight increase of \$6,989 in unrestricted fund balance in the Solid Waste Collection Fund.

General Fund Budgetary Highlights

Original budget compared to final budget

During the fiscal year, there was an increase in original estimated revenues of approximately \$390,000 and budgeted appropriations of approximately \$1,530,000. This increase was mainly due to additional expected expenditures in police department (\$1,190,000).

Final budget compared to actual results

Actual recognized revenue was approximately \$3,721,000 more than budgeted. The majority of that overage falls within taxes. Property and sales tax revenues were \$515,007 and \$1,973,108 more than budgeted, respectively.

During the year, the general fund expenditures were approximately \$2,531,000 less than budgeted. Most departmental expenditures were significantly under budget. Every department expenditure budget in the general fund ended the fiscal year under budget. Department directors are careful when expending public funds.

Capital Assets and Debt Administration

Capital Assets

The City of South Salt Lake's investment in capital assets for its governmental and business-type activities as of June 30, 2022, amounted to \$61,648,828 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, infrastructure, and construction in progress. The net increase in capital assets for the current fiscal year was approximately 1%.

City of South Salt Lake's Capital Assets (Net of Accumulated Depreciation)

	 Governmen	ental Activities			Business-type Activities				Total			
	2022		2021		2022		2021		2022		2021	
Land	\$ 8,340,259	\$	6,581,061	\$	304,414	\$	304,414	\$	8,644,673	\$	6,885,475	
Buildings	11,516,494		12,062,783		1,042,922		1,132,005		12,559,416		13,194,788	
Improvements	5,284,579		5,308,985		7,569,001		7,978,092		12,853,580		13,287,077	
Machinery and equipment	7,963,431		8,509,183		1,195,164		1,240,864		9,158,595		9,750,047	
Infrastructure	16,370,082		16,383,820		-		-		16,370,082		16,383,820	
Construction in progress	1,811,760		1,252,246		250,722				2,062,482		1,252,246	
Total	\$ 51,286,605	\$	50,098,078	\$	10,362,223	\$	10,655,375	\$	61,648,828	\$	60,753,453	

Major capital asset events during the current fiscal year included the following:

- On-going replacement of police vehicles and acquisition of new law enforcement equipment in the approximate amount of \$440,000. This amount includes vehicles and computer equipment rotations.
- Acquisition of public works equipment in the amount of \$196,000.
- Approximately \$232,000 for the purchase of computer hardware and software upgrades and replacement.
- Road and intersection improvements in the amount of \$795,000.
- Fire vehicles and equipment in the amount of \$129,000.
- Parks land purchases in the amount of \$1,759,000.

Additional information on the City of South Salt Lake's capital assets can be found in Note 4.

Long-term Debt

At the end of the current fiscal year, the City of South Salt Lake had total debt outstanding of \$86,186,365. The debt represents bonds secured solely by specified revenue sources. The City of South Salt Lake's outstanding debt increased by \$1,585,155 during the current fiscal year. The net increase is mainly the result of the City's obligation related to additional CVWRF bonds issued during the current year, offset by scheduled maturities of City revenue bonds.

City of South Salt Lake's Outstanding Debt

	Governmental Activities			Business-type Activities				Total				
	2022		2021		2022		2022 2021		2022			2021
Excise tax revenue bonds, net	\$ 9,453,057	\$	10,457,475	\$	-	\$	-	\$	9,453,057	\$	10,457,475	
Water/sewer revenue bonds	-		-		3,833,122		3,530,500		3,833,122		3,530,500	
Obligation under CVWRF bonds	-		-		4,900,186		2,613,235		4,900,186		2,613,235	
Total	\$ 9,453,057	\$	10,457,475	\$	8,733,308	\$	6,143,735	\$	18,186,365	\$	16,601,210	

Additional information on the City of South Salt Lake's long-term debt can be found in Note 6.

Economic Factors and Next Year's Budgets and Rates

The City of South Salt Lake continues to rely on sales tax as the largest single revenue source in the general fund. Sales tax revenue increased approximately 16% (\$3,074,000) in FY 2022 when compared to the prior fiscal year. The increase is due to improved economic conditions both nationally and locally. National and local trends indicate economic activity, which includes taxable sales, will continue to increase in FY 2023. Additional economic development projects that are envisioned to materialize in the next few years will also contribute to the City's tax base.

Property tax revenue is expected to increase modestly due to the added valuation of recent construction projects that have been, or will be, completed within the next year. Other tax revenue is also expected to increase due to recently completed construction projects. Among this revenue is the expected increase in energy sales and use taxes. As long as the construction environment remains active, the City will realize increased planning and building permit fees.

In August 2022, the City Council voted to keep the same property tax rate of 0.1536% instead of accepting a lower rate that Salt Lake County had calculated. In addition, the City Council voted to institute a new special revenue property tax to provide a sustainable source of funding for public safety operations. As a result, property tax revenue received in December 2022 increased moderately when compared to the prior year. Due to inflation, new growth, and increases in assessed valuation in new construction and in the existing housing, it is further expected to see increases in property taxes, as well.

Due to more stringent wastewater discharge rules, the Central Valley Water Reclamation Facility (CVWRF) has embarked on a \$330,000,000 plant expansion which is expected to be completed by 2024. South Salt Lake's share of the project will be approximately \$16,500,000. The City has been awarded, by the Utah State Division of Water Quality, approximately \$14,500,000 to help fund the City's share of costs. The award is in the form of a \$3,760,000 grant and a \$10,750,000 no interest loan. It is expected that sewer rates will be required to be increased in the future to fund the debt associated with the new project.

The City of South Salt Lake uses a conservative approach to budgeting. Generally, the City attempts to be conservative when estimating revenue. This approach results in some flexibility when actual revenues do not meet expectations. The City's FY 2023 general fund budget reflects an increase of approximately \$25 million from the FY 2022 budget. Much of this increase is the result of increased funding being made available in the form of grants or increased property and sales tax. These increased funding sources allow the City to fund employee retention, community growth, and infrastructure projects that have been delayed as a result of prior year funding availability.

Normally the City's policy is to acquire equipment on a "pay-as-we-go" basis, except for some pieces of large equipment that have extended useful lives. In FY 2023, some budgeted equipment acquisitions and infrastructure projects include:

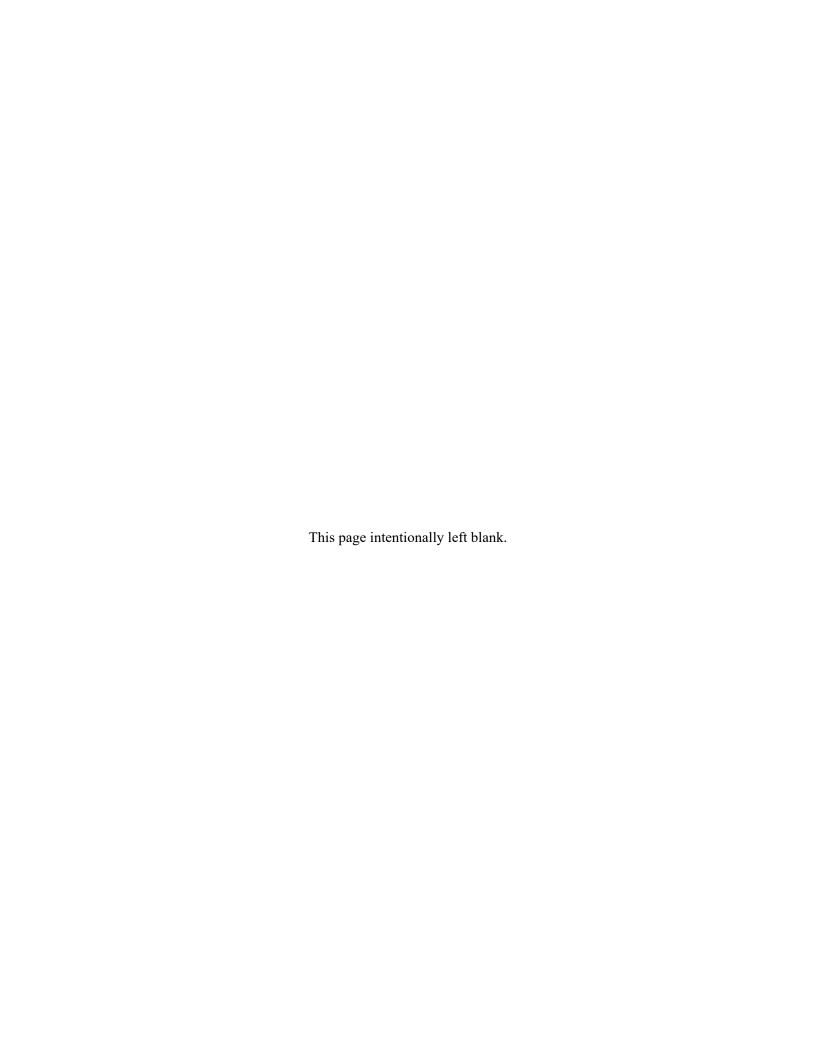
- \$2,000,000 for a streetscape project using grant funds.
- \$3,500,000 to begin work to build a new public works campus.
- \$1,926,000 for improvements to City facilities.
- \$1,000,000 for reconstruction of 500 West.
- \$534,000 for replacement of fire vehicles and equipment.
- \$520,000 for critical police vehicle and equipment replacement

The biggest economic factor the City will face in FY 2023 the current volatility of the economy. While inflation remains high, the city enjoys the benefit of higher sales tax revenues. However, economists

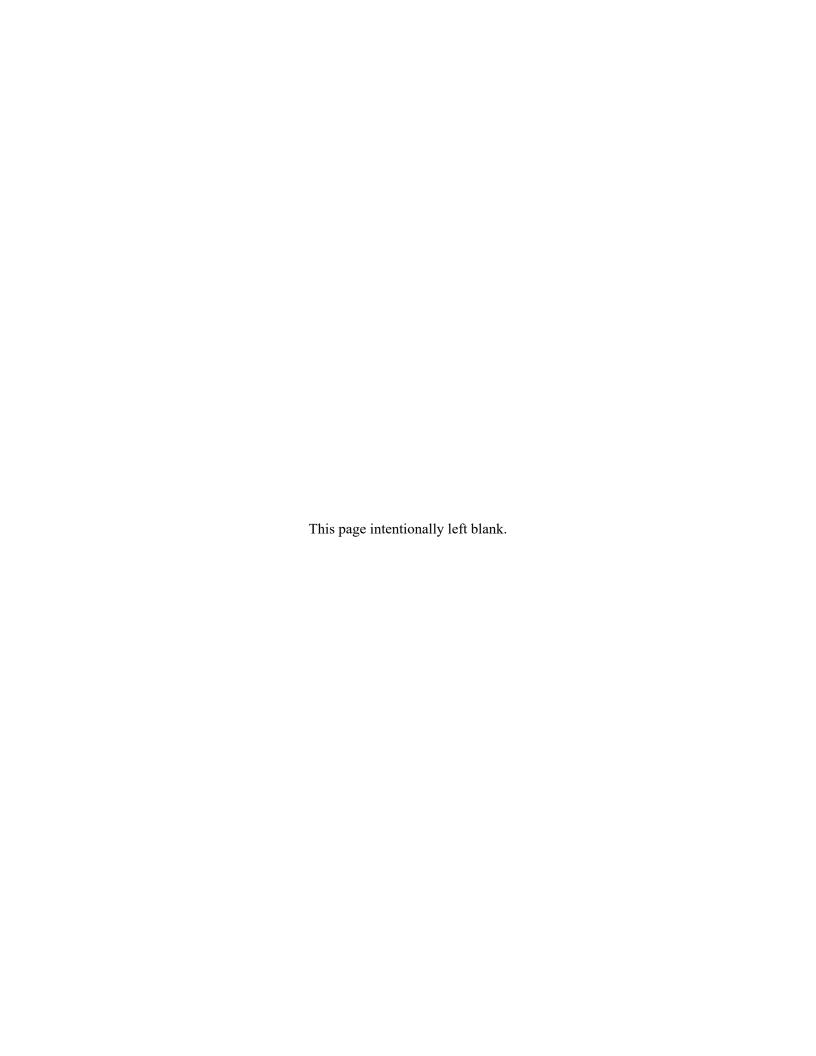
predict that the current inflationary rates will likely lead to a recession, which could have significant impact on future sales tax revenues. City revenues rely on a robust economic situation. Through conservative planning in the current and prior years, however, the City enjoys a robust fund balance which will help to fund continued operations in the event of an economic downturn. Because of this, the City is in a good situation from a financial perspective.

Requests for Information

This financial report is designed to provide a general overview of the City of South Salt Lake's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: Finance Director, 220 E Morris Avenue, Suite 200, South Salt Lake, UT 84115.







CITY OF SOUTH SALT LAKE STATEMENT OF NET POSITION

June 30, 2022

	Governmental Activities			usiness-type Activities	Total
Assets:					
Cash and cash equivalents	\$	38,154,671	\$	801,102	\$ 38,955,773
Taxes receivable		15,686,739		-	15,686,739
Accounts receivable - net		-		816,761	816,761
Miscellaneous receivables		624,931		-	624,931
Internal balances		2,263,000		(2,263,000)	-
Intergovernmental receivable		2,753,402		-	2,753,402
Property acquired for redevelopment		1,179,480		-	1,179,480
Investment in joint venture		-		9,326,227	9,326,227
Restricted cash and cash equivalents		5,163,081		783,857	5,946,938
Net pension asset		8,620,248		319,890	8,940,138
Capital assets not being depreciated:					
Land		8,340,259		304,414	8,644,673
Construction in progress		1,811,760		250,722	2,062,482
Capital assets net of accumulated depreciation:					
Buildings		11,516,494		1,042,922	12,559,416
Improvements		5,284,579		7,569,001	12,853,580
Machinery and equipment		7,963,431		1,195,164	9,158,595
Infrastructure		16,370,082		_	 16,370,082
Total assets		125,732,157		20,147,060	 145,879,217
Deferred Outflows of Resources:					
Deferred outflows of resources relating					
to pensions		3,792,027		195,777	 3,987,804
Total deferred outflows of resources		3,792,027		195,777	 3,987,804

The accompanying notes are an integral part of this financial statement.

CITY OF SOUTH SALT LAKE STATEMENT OF NET POSITION (CONTINUED)

June 30, 2022

	Governmental Activities	Business-type Activities	Total
Liabilities:			
Accounts payable and accrued liabilities	\$ 4,170,435	\$ 417,763	\$ 4,588,198
Deposits payable	3,527,704	38,814	3,566,518
Accrued interest	110,134	2,232	112,366
Unearned revenues	365,973	-	365,973
Noncurrent liabilities:			
Due within one year	1,290,622	24,833	1,315,455
Due in more than one year	9,019,773	8,747,491	17,767,264
Total liabilities	18,484,641	9,231,133	27,715,774
Deferred Inflows of Resources:			
Deferred inflows of resources relating			
to pensions	11,138,325	446,030	11,584,355
Total deferred inflows of resources	11,138,325	446,030	11,584,355
Net Position:			
Net investment in capital assets	51,286,605	10,362,223	61,648,828
Restricted for:			
Capital projects	9,229,942	925,235	10,155,177
Debt service	-	783,857	783,857
Unrestricted	39,384,671	(1,405,641)	37,979,030
Total net position	\$ 99,901,218	\$ 10,665,674	\$ 110,566,892

CITY OF SOUTH SALT LAKE STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2022

	Program Revenue				Net (Expense) Revenue and Changes in Net Position			
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	
Primary government:								
Governmental activities:								
General government	\$ 5,988,389	\$ 2,465,113	\$ 1,690,752	\$ -	\$ (1,832,524)	\$ -	\$ (1,832,524)	
Public safety	20,509,478	3,095,254	2,904,932	36,582	(14,472,710)	-	(14,472,710)	
Highways and public improvements	6,689,438	-	1,079,408	1,670,683	(3,939,347)	-	(3,939,347)	
Parks, recreation and culture	4,013,946	86,645	1,951,437	46,956	(1,928,908)	-	(1,928,908)	
Redevelopment	465,957	-	-	-	(465,957)	-	(465,957)	
Interest on long-term debt	94,287				(94,287)		(94,287)	
Total governmental activities	37,761,495	5,647,012	7,626,529	1,754,221	(22,733,733)	-	(22,733,733)	
Business-type activities:								
Water utility	2,804,002	2,212,166	-	-	-	(591,836)	(591,836)	
Sewer utility	8,398,992	3,526,217	-	-	-	(4,872,775)	(4,872,775)	
Solid waste collection	516,254	523,243				6,989	6,989	
Total business-type activities	11,719,248	6,261,626				(5,457,622)	(5,457,622)	
Total Primary Government	\$49,480,743	\$11,908,638	\$ 7,626,529	\$ 1,754,221	(22,733,733)	(5,457,622)	(28,191,355)	
	General reven	iues:						
	Property taxe	es			12,788,995	-	12,788,995	
	Sales taxes				22,514,659	-	22,514,659	
		and use taxes			3,142,357	-	3,142,357	
	Transient roo				40,748	-	40,748	
		investment earnir	ngs		213,203	11,721	224,924	
		of capital assets			107,193	18,430	125,623	
	Transfers							
		General Revenues	and Transfers		38,807,155	30,151	38,837,306	
	•	e in Net Position			16,073,422	(5,427,471)	10,645,951	
	Net Position -	-			83,827,796	16,093,145	99,920,941	
	Net Position -	Ending			\$99,901,218	\$10,665,674	\$ 110,566,892	

CITY OF SOUTH SALT LAKE BALANCE SHEET GOVERNMENTAL FUNDS

June 30, 2022

	General Fund	Capital Projects Fund	Redevelopment Agency (Nonmajor)	Total Governmental Funds
Assets:	#10.001. 2 0.6	0.22.055.55 0	A. 2.7 0.7.62.6	0.27 (7.4 (0.0
Cash and cash equivalents	\$10,891,296	\$23,977,758	\$ 2,785,626	\$37,654,680
Receivables (net):	1.5.202.200	202.520		1.5.606.530
Taxes	15,393,209	293,530	-	15,686,739
Miscellaneous	624,931	-	-	624,931
Due from other funds	2,254,087	-	-	2,254,087
Intergovernmental receivable	2,753,402	-	-	2,753,402
Property acquired for redevelopment	-	-	1,179,480	1,179,480
Cash and cash equivalents - restricted	5,163,073		8	5,163,081
Total assets	\$37,079,998	\$24,271,288	\$ 3,965,114	\$65,316,400
Liabilities, Deferred in Flows of Resources, and Fund B Liabilities:	Balances:			
Accounts payable	\$ 1,777,409	\$ 378,497	\$ 21,307	\$ 2,177,213
Salaries/payroll payables	1,984,395	-	-	1,984,395
Deposits	3,527,704	_	-	3,527,704
Due to other funds	-	_	-	-
Unearned revenue	365,973			365,973
Total liabilities	7,655,481	378,497	21,307	8,055,285
Deferred Inflows of Resources:				
Unavailable revenue - property taxes	11,181,710			11,181,710
Total deferred inflows of resources	11,181,710			11,181,710
Fund Balances: Restricted for:				
Road projects	3,857,452	5,179,185	-	9,036,637
Other capital projects	-	193,305	-	193,305
Assigned to:				
Debt service	_	_	313,686	313,686
Redevelopment	-	-	3,630,121	3,630,121
Other capital projects	-	18,520,301	-	18,520,301
Unassigned	14,385,355			14,385,355
Total fund balances	18,242,807	23,892,791	3,943,807	46,079,405
Total liabilities, deferred inflows of resources and fund balances	\$37,079,998	\$24,271,288	\$ 3,965,114	\$65,316,400

CITY OF SOUTH SALT LAKE

RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION

June 30, 2022

Total fund balances – governmental funds	\$ 46,079,405
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.	51,286,605
Net pension asset, net pension liability, and related deferred outflows and inflows are not available resources or payable in the current period and, therefore, are not reported in the funds.	1,273,950
Other assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.	11,181,710
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	(10,420,529)
Internal service funds are used by management to charge the costs of insurance to individual funds. The assets and liabilities of internal service funds are included in governmental activities in the statement of net position.	500,077
Net position of governmental activities	\$ 99,901,218

CITY OF SOUTH SALT LAKE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS

For the Year Ended June 30, 2022

	General Fund	Capital Projects Fund	Redevelopment Agency (Nonmajor)	Total Governmental Funds
Revenues:	Φ (12(212	Ф	ф. 7.12.27 0	Φ 6070 501
Property taxes	\$ 6,136,313	\$ -	\$ 742,278	\$ 6,878,591
Sales taxes	19,545,771	2,968,888	-	22,514,659
Other taxes	3,183,105	-	-	3,183,105
Licenses and permits	1,533,033	1 720 645	-	1,533,033
Intergovernmental	6,773,764	1,730,645	-	8,504,409
Charges for services	3,060,835	-	-	3,060,835
Fines	638,548	-	-	638,548
Investment earnings	163,314	47,441	-	210,755
Rental income	295,054	-	-	295,054
Impact fees	-	46,956	-	46,956
Miscellaneous	436,887	179,395		616,282
Total revenues	41,766,624	4,973,325	742,278	47,482,227
Expenditures:				
Current:				
General government	5,193,015	_	392,589	5,585,604
Public safety	20,886,434	_	-	20,886,434
Highways and public improvements	5,495,476	_	64,229	5,559,705
Parks, recreation and culture	4,046,606	_	-	4,046,606
Redevelopment	-	_	402,590	402,590
Debt service:				
Principal	_	_	760,000	760,000
Interest and fiscal charges	_	_	348,741	348,741
Bond issuance costs			-	-
Capital outlay:				
General government	_	682,766	_	682,766
Public safety	_	1,498,252	_	1,498,252
Highways and public improvements	205,113	1,054,397	_	1,259,510
Parks, recreation and culture	-	2,024,900	-	2,024,900
Total expenditures	35,826,644	5,260,315	1,968,149	43,055,108
Excess of revenues over expenditures	5,939,980	(286,990)	(1,225,871)	4,427,119
Other Financing Sources (Uses):				
Transfers	(1,112,000)	_	1,112,000	_
Proceeds from sale of capital assets	-	144,055	-,,	144,055
	(1.112.000)		1 112 000	
Total other financing sources	(1,112,000)	144,055	1,112,000	144,055
Net Change in Fund Balances	4,827,980	(142,935)	(113,871)	4,571,174
Fund Balances – Beginning	13,414,827	24,035,726	4,057,678	41,508,231
Fund Balances – Ending	\$18,242,807	\$23,892,791	\$ 3,943,807	\$46,079,405

CITY OF SOUTH SALT LAKE

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2022

Net change in fund balances – total governmental funds	\$ 4,571,174
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded	
depreciation in the current period.	1,215,079
The net effect of various miscellaneous transactions involving capital assets (i.e., sales and donations) is to decrease net position.	(26,552)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	6,372,444
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction,	
however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.	760,000
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental	
funds.	3,242,425
Internal service funds are used by management to charge the costs of insurance to individual funds. The net revenue of certain activities of internal service funds is	
reported with governmental activities.	 (61,148)
Change in net position of governmental activities	\$ 16,073,422

CITY OF SOUTH SALT LAKE STATEMENT OF NET POSITION PROPRIETARY FUNDS

June 30, 2022

	Business-type Activities - Enterprise Funds					
			Solid Waste		Governmental	
	Water	Sewer	Collection		Activities -	
	Utility	Utility	Fund		Internal	
	Fund	Fund	(Nonmajor)	Total	Service Fund	
Assets:						
Current assets:						
Cash and cash equivalents	\$ 402,400	\$ 151,366	\$ 247,336	\$ 801,102	\$ 499,991	
Accounts receivable, net	453,388	323,302	40,071	816,761		
Total current assets	855,788	474,668	287,407	1,617,863	499,991	
Noncurrent assets:						
Restricted cash and cash equivalents	-	783,857	-	783,857	-	
Capital assets:						
Land	302,098	2,316	-	304,414	-	
Buildings	1,556,618	1,100,528	-	2,657,146	-	
Improvements	13,071,673	5,341,805	-	18,413,478	-	
Machinery and equipment	3,891,010	835,691	-	4,726,701	-	
Construction in progress	250,722	-	-	250,722	-	
Less: accumulated depreciation	(12,178,863)	(3,811,375)	-	(15,990,238)	-	
Net pension asset	216,331	103,559	-	319,890	-	
Equity investment in joint venture		9,326,227		9,326,227		
Total noncurrent assets	7,109,589	13,682,608		20,792,197		
Total assets	7,965,377	14,157,276	287,407	22,410,060	499,991	
Deferred Outflows of Resources:						
Deferred outflows of resources relating						
to pensions	136,290	59,487		195,777		
Total deferred outflows of resources	136,290	59,487		195,777		

CITY OF SOUTH SALT LAKE STATEMENT OF NET POSITION (CONTINUED) PROPRIETARY FUNDS

June 30, 2022

	Business-type Activities - Enterprise Funds						
			Solid Waste	_	Governmental		
	Water	Sewer	Collection		Activities -		
	Utility	Utility	Fund	m . 1	Internal		
T : 1 1997	Fund	Fund	(Nonmajor)	Total	Service Fund		
Liabilities: Current liabilities:							
Accounts payable	\$ 295,961	\$ 58,204	\$ 2,476	\$ 356,641	\$ 8,827		
Salaries payable	41,071	15,897	4,154	61,122	\$ 6,627		
Compensated absences	22,100	2,733	-,134	24,833	_		
Accrued interest	2,232	2,733	_	2,232	_		
Due from other funds	-	2,254,087	_	2,254,087	_		
	261.264		((20		9 927		
Total current liabilities	361,364	2,330,921	6,630	2,698,915	8,827		
Noncurrent liabilities:							
Customer deposits payable	38,814	-	-	38,814	-		
Compensated absences	8,769	5,414	-	14,183	-		
Revenue bonds payable	-	3,833,122	-	3,833,122	-		
Obligation under Central Valley bonds		4,900,186		4,900,186			
Total noncurrent liabilities	47,583	8,738,722		8,786,305			
Total liabilities	408,947	11,069,643	6,630	11,485,220	8,827		
Deferred Inflows of Resources:							
Deferred inflows of resources relating							
to pensions	301,913	144,117		446,030			
Total deferred inflows of resources	301,913	144,117		446,030			
Net Position:							
Net investment in capital assets	6,893,258	3,468,965	_	10,362,223	-		
Restricted for capital projects	372,492	552,743	_	925,235	-		
Restricted for debt service	-	783,857	-	783,857	_		
Unrestricted	125,057	(1,802,562)	280,777	(1,396,728)	491,164		
Total net position	\$ 7,390,807	\$ 3,003,003	\$ 280,777	10,674,587	\$ 491,164		
Adjustment to Reflect The Consolidation of Inte	mal Carrian Eval						
Activities Related to Enterprise Funds	mai service runu			(8,913)			
•							
Net Position of Business-Type Activities				\$ 10,665,674			

CITY OF SOUTH SALT LAKE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION PROPRIETARY FUNDS

For the Year Ended June 30, 2022

	Business-type Activities - Enterprise Funds						
	Water Utility Fund	Sewer Utility Fund	Solid Waste Collection Fund (Nonmajor)	Total	Governmental Activities - Internal Service Fund		
Operating Revenues:	·						
Water sales	\$2,125,230	\$ -	\$ -	\$ 2,125,230	\$ -		
Sewer service charges	-	3,284,150	-	3,284,150	-		
Solid waste collection fees	-	-	522,064	522,064	-		
Connection fees	8,498	-	-	8,498	-		
Other services	71,190	242,067	16,645	329,902	903,000		
Total operating revenues	2,204,918	3,526,217	538,709	6,269,844	903,000		
Operating Expenses:							
Employee salaries	714,858	250,795	53,113	1,018,766	-		
Employee benefits	172,238	57,941	21,938	252,117	_		
Professional services	39,891	105,620	-	145,511	_		
Supplies	55,469	21,908	6,403	83,780	-		
Utilities	101,471	25,825	-	127,296	_		
Equipment supplies and maintenance	426,153	19,500	28,529	474,182	_		
Repairs and maintenance	76,702	7,320	-	84,022	_		
Depreciation	568,513	179,081	-	747,594	-		
Net change in equity investment	,	,		,			
in joint venture	_	3,690,126	-	3,690,126	_		
Central Valley sewer treatment costs	_	1,180,980	-	1,180,980	-		
Water purchases	441,839	-	-	441,839	-		
Waste collection contract	-	-	400,517	400,517	-		
Sundry expense	58,909	28,289	-	87,198	-		
Insurance	44,000	28,000	-	72,000	972,266		
Furniture and equipment	97,160	10,771	21,220	129,151			
Total operating expenses	2,797,203	5,606,156	531,720	8,935,079	972,266		
Operating Income (Loss)	(592,285)	(2,079,939)	6,989	(2,665,235)	(69,266)		
Nonoperating Revenues (Expenses):							
Interest revenue	6,915	4,806	-	11,721	2,609		
Interest expense and fiscal charges	(3,432)	(145,198)	-	(148,630)	-		
Central Valley bonds participation expense	-	(2,645,496)	-	(2,645,496)	-		
Impact fees	7,248	-	-	7,248	-		
Loss on disposal of assets	18,430	-	-	18,430	-		
Total nonoperating revenues (expenses)	29,161	(2,785,888)	-	(2,756,727)	2,609		
Income (Loss) Before Transfers	(563,124)	(4,865,827)	6,989	(5,421,962)	(66,657)		
Transfers							
Change in Net Position	(563,124)	(4,865,827)	6,989	(5,421,962)	(66,657)		
Net Position – Beginning	7,953,931	7,868,830	273,788	16,096,549	557,821		
Net Position – Ending	\$7,390,807	\$ 3,003,003	\$ 280,777		\$ 491,164		
Adjustment to Reflect the Consolidation of Inter Activities Related to Enterprise Funds	rnal Service Fund	1		(5,509)			
•							
Changes in Net Position of Business-Type Activ	vities			\$ (5,427,471)			

CITY OF SOUTH SALT LAKE STATEMENT OF CASH FLOWS PROPRIETARY FUNDS

For the Year Ended June 30, 2022

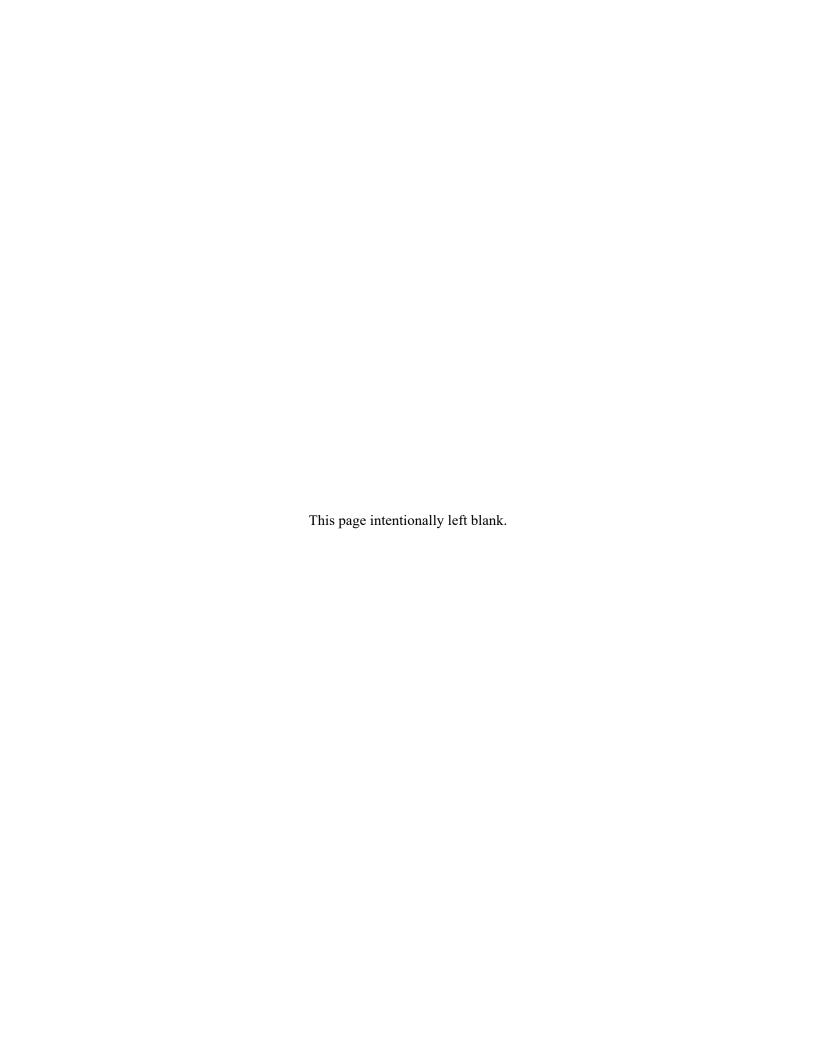
	Business-type Activities - Enterprise Funds					
	Water Utility Fund	Sewer Utility Fund	Solid Waste Collection Fund (Nonmajor)	Total	Governmental Activities - Internal Service Fund	
Cash Flows from Operating Activities:						
Receipts from customers	\$2,228,883	\$ 3,504,100	\$ 501,540	\$ 6,234,523	\$ 903,000	
Payments to suppliers	(1,111,653)	328,352	(490,339)	(1,273,640)	(972,266)	
Payments to employees	(1,009,725)	(374,070)	(75,694)	(1,459,489)	-	
Purchase of additional investment in joint						
venture		(4,128,055)		(4,128,055)		
Net cash provided (used) by operating activities	107,505	(669,673)	(64,493)	(626,661)	(69,266)	
Cash Flows from Capital and Related Financing Activities:						
Impact fees received	7,248	-	-	7,248	-	
Proceeds from capital debt	-	550,122	-	550,122		
Acquisition and construction of capital assets	(440,446)	(13,996)	-	(454,442)	-	
Proceeds from sale of capital assets	18,430	-	-	18,430	-	
Principal paid on capital debt	(186,000)	(268,948)	-	(454,948)	-	
Interest paid on capital debt	(3,432)	(145,198)	-	(148,630)	-	
Net cash provided (used) by capital and related financing activities	(604,200)	121,980		(482,220)		
related illianeing activities	(004,200)	121,700		(402,220)		
Cash Flows from Investing Activities:						
Interest received	6,915	4,806		11,721	2,609	
Net cash provided by investing activities	6,915	4,806		11,721	2,609	
Net Increase in Cash and Cash Equivalents	(489,780)	(542,887)	(64,493)	(1,097,160)	(66,657)	
Cash and Cash Equivalents – Beginning	892,180	1,478,110	311,829	2,682,119	566,648	
Cash and Cash Equivalents – Ending	\$ 402,400	\$ 935,223	\$ 247,336	\$ 1,584,959	\$ 499,991	

CITY OF SOUTH SALT LAKE STATEMENT OF CASH FLOWS (CONTINUED) PROPRIETARY FUNDS

For the Year Ended June 30, 2022

	Business-type Activities - Enterprise Funds					
	Water Utility Fund	Sewer Utility Fund	Solid Waste Collection Fund (Nonmajor)	Total	A	vernmental ctivities - Internal vice Fund
Reconciliation of Operating Income (Loss)						
to Net Cash Provided (Used) by						
Operating Activities:	Φ (502.205)	¢ (2,070,020)	Ф (000	Φ (2.665.225)	Ф	((0.2(()
Operating income (loss)	\$ (592,285)	\$(2,079,939)	\$ 6,989	\$ (2,665,235)	\$	(69,266)
Adjustments to reconcile operating income (loss) to net cash provided (used) by						
operating activities:						
Depreciation expense	568,513	179,081	_	747,594		_
Net pension adjustment	(138,031)	(72,644)	-	(210,675)		_
Changes in operating assets and	(===,===)	(,=,=,=,)		(===,=,=)		
liabilities:						
(Increase) decrease in:						
Accounts receivable	23,413	(22,117)	(37,169)	(35,873)		-
Due from other funds	-	-	-	-		-
Investment in joint venture, net	-	(437,929)	-	(437,929)		-
Increase (decrease) in:						
Accounts payable and accrued						
liabilities	245,343	(490,212)	(34,313)	(279,182)		-
Due to other funds	-	2,254,087	-	2,254,087		-
Customer deposits	552			552		
Total adjustments	699,790	1,410,266	(71,482)	2,038,574		
Net cash provided (used) by operating activities	\$ 107,505	\$ (669,673)	\$ (64,493)	\$ (626,661)	\$	(69,266)





NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on the primary government and its component units. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support.

Reporting Entity

The City of South Salt Lake is a municipal corporation governed by an elected mayor and a seven-member council. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. The City of South Salt Lake is not a component unit of any other entity. Each blended component unit has a June 30 year end.

Blended Component Units

The Redevelopment Agency of South Salt Lake (Agency) was created by the City during fiscal year 1982. The Agency uses tax increment financing to support redevelopment projects within the City. The Agency is governed by a board comprised of the City's Mayor and City Council. Management of the City is responsible for day-to-day operations. The financial statements of the Redevelopment Agency are included in the reporting entity using the blended method and are reported as a major governmental fund (special revenue fund).

The Municipal Building Authority of South Salt Lake (Authority) was created by the City during fiscal year 1996. The Authority used the proceeds of tax-exempt bonds to acquire capital assets for the City. The bonds were secured by a lease agreement with the City and were retired through lease payments from the City. The Authority is governed by the City Council. Because the Authority's governing body is substantially the same as the City's, the financial data is included in the reporting entity using the blended method.

Complete financial statements for each of the individual component units may be obtained at the City's administrative offices.

City of South Salt Lake 220 East Morris Avenue Salt Lake City, UT 84115

Joint Ventures

During 1978, the City entered into a joint venture with six other entities with an inter-local agreement to create the Central Valley Water Reclamation Facility (Central Valley), which provides wastewater treatment for all seven member entities.

Effective January 1, 2017, the member entities moved to a single ownership percentage. Each member's beneficial ownership interest is recomputed on an annual basis at the end of the calendar year, as outlined in the interlocal agreement. The seven members and their related ownership interest, as of December 31, 2021, are as follows:

16.96 %
23.78
23.91
10.73
8.31
5.43
10.88
100.00 %

The joint venture is administered by a joint administration board. Each member appoints one member of the board, and voting power is not related to ownership. Therefore, each member is equal to another for voting privileges. The joint venture is responsible for adopting a budget and financing its operations, subject to the approval by each of the seven members.

The City accounts for its investment in Central Valley using the equity method of accounting. Summarized financial information of Central Valley as of December 31, 2021 and for the year then ended is as follows (in thousands):

Total assets	\$ 478,968
Total net position	139,747
Revenue	21,407
Change in net position	17,132
The City's interest in:	
Equity	9,326
Net loss	(3,690)

During the current year, the City contributed \$4,128,055 for capital enhancements. The net amount of equity interest in Central Valley Water Reclamation Facility at June 30, 2022 is \$9,326,227 and is recorded in the Sewer Utility Fund. Costs associated with the joint venture for the year ended June 30, 2022 were \$4,871,106, which includes both operations and maintenance and the City's net change in equity investment in joint venture.

The Central Valley operating and maintenance costs are paid by the seven member entities based on their usage of the treatment plant. All costs are passed through to the member entities. The City's portion of Central Valley's operating costs and the related percentage of plant usage for the last three years are as follows:

<u>Year</u>	Operating Costs	Percentage of Plant
2022	\$1,180,980	4.85%
2021	\$1,197,566	5.74%
2020	\$1,271,727	5.90%

A copy of the Central Valley Water Reclamation Facility audited financial statements may be obtained by writing to the Central Valley Water Reclamation Facility at 800 West Central Valley Road, Salt Lake City, UT 84119-3379.

Basis of Presentation – Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds and proprietary funds.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the government's water and sewer functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the government's funds, including blended component units. Separate statements for each fund category – governmental and proprietary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The government reports the following major governmental funds:

The *general fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The capital projects fund accounts for the resources required for major capital improvements of the City.

The government reports the following major enterprise funds:

The water utility fund accounts for the activities of the water distribution system of the City.

The *sewer utility fund* accounts for the activities of the joint venture (described above), the sewage pumping stations, and the collection system.

Additionally, the government reports the following fund types:

Internal service funds account for insurance provided to other departments or agencies of the government on a cost reimbursement basis.

During the course of operations, the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, energy sales and use taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the government.

The proprietary funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*.

Budgetary Procedures and Budgetary Basis of Accounting

Budgetary procedures for the City have been established by the Uniform Fiscal Procedures Act adopted by the State of Utah, which requires the legal adoption of a budget for all funds. Furthermore, in accordance with state law, all appropriations, except capital projects fund appropriations, lapse at the end of the budget year; accordingly, no encumbrances are recorded. The basis of accounting applied to each fund budget is the same basis as the related fund's financial statements. The following are the legal procedures followed by the City:

- 1) On or before the first regularly scheduled meeting of the City Council in May, the City's Mayor, authorized under state statute to be appointed budget officer, submits a proposed operating budget for governmental fund types for which budgetary control is required by Utah State statute (i.e., General Fund, Capital Projects Funds, Debt Service Funds, and Special Revenue Funds), and an operating and capital budget for all proprietary fund types for the subsequent fiscal year. The budget documents include the proposed budget amounts requested by the department heads, along with the proposed budget amounts requested by the Mayor.
- 2) A public hearing is held to receive input on all aspects of the proposed budget. The hearing is preceded by a notice in the local newspaper. The notice is given at least seven days before the hearing and includes the time, date, and place of the hearing. All budget documents are required to be available for public inspection ten days prior to the public hearing.
- 3) On or before June 30, a final balanced budget must be adopted for the subsequent fiscal year beginning July 1.
- 4) The legal budgetary control is maintained at the departmental level. The Mayor, however, acting as budget officer, has the budget authority to transfer budget appropriations between individual line items within any department of any budgetary fund.
- 5) The City Council, by resolution, has the authority to transfer budget appropriations between the individual departments of any budgetary fund.
- 6) A public hearing, as required in (2) above, must be held to increase the total appropriations of any one governmental fund type; however, after the original public hearing, operating and capital budgets of proprietary fund types may be increased by resolution without an additional hearing.
- 7) Monthly interim financial reports are prepared by the Finance Director and presented to the City Council. These reports contain a budgetary statement showing a comparison of budget to actual for all budgetary funds of the City. Special budgetary reports, using an operating and capital expenditure concept, are prepared for proprietary funds.

The budgets presented for the General Fund, Capital Projects Funds and Redevelopment Agency are designated as revised budgets. Throughout the year, the City Council approves all expenditures and makes amendments to the City's budget. Near year end, the City Council makes final amendments to the budget.

The budget passed for the Capital Projects Funds is an annual budget, based on estimates of annual expenditures. This budget is not based on project length for long-term capital projects.

No budget is presented in these financial statements for the Proprietary Funds. Utah state law allows the City Council to amend the Proprietary Funds budgets without public hearing or public notice.

Cash and Cash Equivalents

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

For purposes of the statement of cash flows, the Water Utility, Sewer Utility, and Solid Waste Collection Funds consider all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

Restricted Cash and Cash Equivalents

Certain resources set aside for bond repayment are classified as restricted cash and cash equivalents on the balance sheet because their use is limited by applicable bond covenants. Other cash and cash equivalents accounts are restricted by state law or collateral requirements.

Capital Assets

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Capital assets in the government-wide financial statements and in the fund financial statements for proprietary funds are reported in the statement of net position. Capital assets include property, plant, equipment and infrastructure assets, e.g., roads, sidewalks, and similar items. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

Prior to July 1, 2002, governmental funds' infrastructure assets were not capitalized. These assets (back to June 30, 1994) have been valued at historical cost. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. No interest was capitalized during the current fiscal year.

Property, plant and equipment of the primary government, is depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Outfall lines	60
Sewage collection	60
Water storage towers	50
Water distribution mains	50
Pump houses	25 to 40
Pumping stations	33
Wells and reservoirs	10 to 25
Meters and hydrants	10
Buildings	15
Office equipment	5 to 10
Machinery and equipment	5 to 20
Vehicles	7
Infrastructure	10 to 50

Property Acquired for Redevelopment

Property acquired for redevelopment reported in the redevelopment agency are valued at the lower of cost or net realizable value.

Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted-net position and unrestricted-net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted-net position to have been depleted before unrestricted-net position.

Fund Balance Flow Assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The City

Council is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The City Council has by resolution authorized the finance director to assign fund balance. The City Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Program Revenues

Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Compensated Absences

The government's policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment upon separation from government service. The liability for such leave is reported as incurred in the government-wide and proprietary fund financial statements. A liability for those amounts is recorded in governmental funds only if the liability has matured as a result of employee resignation and retirements. Sick pay amounts are charged as wages when used.

Employees can carry-over up to twenty-one days of unused vacation each year. The vacation year ends on the last day of the last full pay period in March. Employees may carry-over up to twelve days of unused sick leave each year. When employees terminate, they are paid for accumulated vacation and one-half their normal rate for accumulated sick leave, if certain criteria are met.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the City to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

Taxes and Other Significant Revenue

Property and Other Taxes

Property tax is assessed, levied, and collected by the county governments in the state of Utah. The City Council is authorized by state statute (10-6-133) to levy up to a tax rate of .007 of the taxable value against all real and personal property located within its boundaries. Property taxes become a lien on January 1 and are levied on the first Monday of August. Taxes are due and payable on November 1 and delinquent after November 30 of each year. Taxes on an individual piece of property may be delinquent up to five years before the property is sold for delinquent taxes.

Under state statute, the County Treasurer, acting as a tax collector, must settle and disburse all current tax collections to all taxing units by the end of March following the taxing year. Delinquent taxes are collected throughout the year and disbursed to the taxing units on a routine basis.

Property tax revenues in the governmental funds are recognized when they become available. Available includes those property taxes collected from the taxpayers by the County Treasurer by June 30 of each year. Amounts that are measurable but not available are recorded as deferred revenue. An accrual was made for property taxes receivable and an offsetting deferred inflow of resources in the amount of \$11,181,710 at June 30, 2022. Property taxes become an enforceable lien on January 1 but are not due until November 30.

Transient room tax and the municipal telecommunications tax are collected by the State Tax Commission and remitted to the City monthly. Energy sales and use taxes are collected and remitted to the City by the electric and natural gas companies monthly, and the cable television company semiannually.

Sales Taxes

In accordance with the Local Sales and Use Tax Act (title 59, Chapter 12, Part 2, Utah Code Annotated 1953, as amended), the City presently levies a local sales and use tax of 1.00% on all taxable sales of goods and services. The local sales and use tax is collected by the Utah State Tax Commission and distributed monthly to the City of South Salt Lake and all other counties and municipalities in Utah.

The distributions are based on a formula which provides that; 1) 50% of each dollar of sales tax collections will be distributed on the basis of the local government's pro-rata share of the state population and, 2) 50% of each dollar of sales tax collections will be distributed on the basis on the point of sale.

The City also imposes the city or town options sales and use tax at a rate of 0.2 percent, as allowed for under Utah Code §59-12-2103.

Proprietary Funds Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water utility, sewer utility, and solid waste funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Utah Retirement Systems Pension Plan (URS) and additions to and deductions from URS's fiduciary net position have been determined on the same basis as they are reported by URS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Outflows/Inflows of Resources

In addition to assets, financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.

NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE FUND FINANCIAL STATEMENTS

Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position

The governmental fund balance sheet includes a reconciliation between *fund balance - total governmental funds* and *net position - governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that "net pension asset, net pension liability, and related deferred outflows and inflows are not available resources or payable in the current period and, therefore, are not reported in the funds". The details of this \$1,273,950 difference are as follows:

Net pension asset	\$ 8,620,248
Deferred outflows of resources relating to pensions	3,792,027
Net pension liability	-
Deferred inflows of resources relating to pensions	(11,138,325)
Net adjustment to reduce <i>fund balance - total</i>	
governmental funds to arrive at net position -	
governmental activities	\$ 1,273,950

Another element of that reconciliation explains that "long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds". The details of this \$10,420,529 difference are as follows:

Bonds payable	\$ (9,453,057)
Accrued interest payable	(110,134)
Compensated absences	(857,338)
Net adjustment to reduce <i>fund balance - total</i> governmental funds to arrive at net position -	
governmental activities	\$ (10,420,529)

Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net change in fund balances - total governmental funds* and *change in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that "governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense". The details of this \$1,215,079 difference are as follows:

Capital outlay	\$ 4,756,740
Depreciation expense	 (3,541,661)
Net adjustment to decrease net change in fund	
balances - total governmental funds to arrive	
at change in net position of governmental activities	\$ 1,215,079

Another element of that reconciliation states that "some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds". The details of this \$3,242,425 difference are as follows:

Compensated absences expense	\$ (78,527)
Pension expense	3,066,498
Interest expense	 254,454
Net adjustment to increase net change in fund	
balances - total governmental funds to arrive	
at change in net position of governmental activities	\$ 3,242,425

NOTE 3 – DEPOSITS AND INVESTMENTS

The State of Utah Money Management Council has the responsibility to advise the State Treasurer about investment policies, promote measures and rules that will assist in strengthening the banking and credit structure of the state and review the rules adopted under the authority of the State of Utah Money Management Act that relate to the deposit and investment of public funds.

The City follows the requirements of the Utah Money Management Act (*Utah Code*, Section 51, Chapter 7) in handling its depository and investment transactions. The Act requires the depositing of City funds in a qualified depository. The Act defines a qualified depository as any financial institution whose deposits are insured by an agency of the Federal Government and which has been certified by the State Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council.

Deposits

	Bank			Book
	Balances Balance		Balances	
Cash on hand Cash on deposit	\$	- 2,604,747	\$	3,200 2,296,363
Total	\$	2,604,747	\$	2,299,563

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a formal deposit policy for custodial credit risk. As of June 30, 2022, \$2,354,747 of the City's bank balances of \$2,604,747 was uninsured and uncollateralized.

Investments

The Money Management Act defines the types of securities authorized as appropriate investments for the City and the conditions for making investment transactions. Investment transactions may be conducted only through qualified depositories, certified dealers, or directly with issuers of the investment securities.

Statutes authorize the City to invest in negotiable or nonnegotiable deposits of qualified depositories and permitted negotiable depositories; repurchase and reverse repurchase agreements; commercial paper that is classified as "first tier" by two nationally recognized statistical rating organizations; bankers' acceptances; obligations of the United States Treasury, including bills, notes, and bonds; bonds, notes, and other evidence of indebtedness of political subdivisions of the State; fixed-rate corporate obligations and variable rate securities rated "A" or higher, or the equivalent of "A" or higher, by two nationally recognized statistical rating organizations; shares or certificates in a money market mutual fund as defined in the Act; and the State of Utah Public Treasurer's Investment Fund.

The Utah State Treasurer's Office operates the Public Treasurer's Investment Fund (PTIF). The PTIF is available for investment of funds administered by any Utah public treasurer.

The PTIF is not registered with the SEC as an investment company and is not rated. The PTIF is authorized and regulated by the Utah Money Management Act (Title 51, Chapter 7 of the *Utah Code*). The Act establishes the State Money Management Council, which oversees the activities of the State Treasurer and the PTIF. The Act lists the investments that are authorized which are high-grade securities and, therefore, minimizes credit risk except in the most unusual and unforeseen circumstances. Deposits in the PTIF are neither insured nor otherwise guaranteed by the State of Utah, and participants share proportionally in any realized gains or losses on investments.

The PTIF operates and reports to participants on an amortized cost basis. The income, gains, and losses, net of administration fees, of the PTIF are allocated to participants monthly on the ratio of the participant's share to the total funds in the PTIF based on the participant's average daily balance. The fair value of the PTIF investment pool is approximately equal to the value of the pool shares. There are no limitations or restrictions on participant withdrawals.

As of June 30, 2022, the City had the following investments and maturities:

		Investment Maturities (in Years)						
	Fair	Less					N	lore
Investment Type	Value	Than 1		1-5	6	-10	Th	an 10
State of Utah Public Treasurer's								
Investment Fund	\$ 42,603,148	\$ 42,603,148	\$	-	\$	-	\$	-

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City's policy for managing its exposure to fair value loss arising from increasing interest rates is to comply with the State's Money Management Act. Section 51-7-11 of the Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested. Except for funds of Institutions of Higher Education acquired by gifts, grants, or the corpus of funds functioning as endowments, the Act further limits the remaining term to maturity on all investments in commercial paper, bankers' acceptances, fixed rate negotiable deposits, and fixed rate corporate obligations to 270-365 days or less. In addition, variable rate negotiable deposits and variable rate securities may not have a remaining term to final maturity exceeding two years.

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City's policy for reducing its exposure to credit risk is to comply with the State's Money Management Act as previously discussed. As of June 30, 2022, the City's investments in the State of Utah Public Treasurer's Investment Fund were unrated.

Concentration of Credit Risk – Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The City's policy for reducing the risk of loss is to comply with the Rules of the Money Management Council. Rule 17 of the Money Management Council limits investments in a single issuer of commercial paper and corporate obligations to 5%-10% depending upon total dollar amount held in the portfolio.

Custodial Credit Risk – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City does not have a formal policy for custodial credit risk.

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2022, was as follows:

	Beginning			Ending
	Balance	Increases	Decreases	Balance
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 6,581,061	\$ 1,759,198	\$ -	\$ 8,340,259
Construction in progress	1,252,246	1,643,258	(1,083,744)	1,811,760
Total capital assets not being depreciated	7,833,307	3,402,456	(1,083,744)	10,152,019
Capital assets being depreciated:				
Buildings	23,848,089	101,922	(47,426)	23,902,585
Improvements other than buildings	7,997,279	366,185	-	8,363,464
Machinery and equipment	21,125,518	1,233,551	(359,191)	21,999,878
Infrastructure	27,570,070	794,620		28,364,690
Total capital assets being depreciated	80,540,956	2,496,278	(406,617)	82,630,617
Less accumulated depreciation for:				
Buildings	(11,785,306)	(648,211)	47,426	(12,386,091)
Improvements other than buildings	(2,688,294)	(390,591)	-	(3,078,885)
Machinery and equipment	(12,616,335)	(1,694,501)	274,389	(14,036,447)
Infrastructure	(11,186,250)	(808,358)		(11,994,608)
Total accumulated depreciation	(38,276,185)	(3,541,661)	321,815	(41,496,031)
Total capital assets being depreciated, net	42,264,771	(1,045,383)	(84,802)	41,134,586
Governmental Activities Capital Assets, net	\$ 50,098,078	\$ 2,357,073	\$ (1,168,546)	\$ 51,286,605
Business-Type Activities:				
Capital assets not being depreciated:				
Land	\$ 304,414	\$ -	\$ -	\$ 304,414
Construction in progress		250,722		250,722
Total capital assets not being depreciated	304,414	250,722		555,136
Capital assets being depreciated:				
Buildings	2,657,146	-	-	2,657,146
Improvements other than buildings	18,413,478	-	-	18,413,478
Machinery and equipment	4,577,433	203,720	(54,452)	4,726,701
Total capital assets being depreciated	25,648,057	203,720	(54,452)	25,797,325

Capital asset activity, continued:

	Beginning Balance	Increases Decreases		creases	Ending Balance
Less accumulated depreciation for:					
Buildings	\$ (1,525,141)	\$ (89,083)	\$	-	\$ (1,614,224)
Improvements other than buildings	(10,435,386)	(409,091)		-	(10,844,477)
Machinery and equipment	(3,336,569)	(249,420)		54,452	(3,531,537)
Total accumulated depreciation	(15,297,096)	(747,594)		54,452	(15,990,238)
Total capital assets being depreciated, net	10,350,961	(543,874)		-	9,807,087
Business-Type Activities Capital Assets, net	\$ 10,655,375	\$ (293,152)	\$		\$ 10,362,223
Depreciation expense was charged to functions/p	programs of the pri	mary governmen	nt as fo	llows:	
Governmental Activities:					
General government					\$ 519,438
Public safety					1,309,942
Highways and public improvements					1,369,309
Parks and recreation					342,972
Total depreciation expense – governmental	activities				3,541,661
Business-Type Activities:					
Water					568,513
Sewer					179,081
Total depreciation expense – business-type	activities				747,594
Total Depreciation Expense					\$ 4,289,255

NOTE 5 – DUE FROM OTHER FUNDS, DUE TO OTHERS FUNDS, AND TRANSFERS

The composition of interfund balances as of June 30, 2022, is as follows:

Receivable (Due from) Fund	Payable (Due to) Fund	 Amount
General fund	Sewer utility fund	\$ 2,254,087

The general fund provided a short-term loan to the sewer utility fund during the year ended June 30, 2022 to help cover sewer utility fund contributions and payments to Central Valley Water Reclamation Facility. The amounts will be repaid when the sewer utility fund draws down additional funding from its sewer revenue bonds, Series 2020A and 2020B.

<u>Transfer Out:</u>	<u>Transfer In:</u>	 Amount
General fund	Redevelopment agency	\$ 1,112,000

Transfers are used to (1) move revenues from the fund with collection authorization to the debt service fund as debt service principal and interest payments become due, (2) move restricted amounts from borrowings to the debt service fund to establish mandatory reserve accounts, and (3) move unrestricted general fund revenues to finance various programs that the government must account for in other funds. The transfer from the general fund to the redevelopment agency were used to fund the debt service principal and interest payments in the redevelopment agency.

NOTE 6 – LONG-TERM DEBT

Revenue Bonds

The government issues bonds where the government pledges income derived from the acquired or constructed assets to pay debt service. Revenue bonds outstanding at year end are as follows:

Purpose	Issue Date	Original Borrowing	Interest Rates	Final Maturity	Amount
Governmental Activities: Market Station Urban Renewal	2020	\$ 9,100,000	4.00%	2031	\$ 8,340,000
Purpose	Issue Date	Original Borrowing	Interest Rates	Final Maturity	Amount
Business-type Activities: Wastewater treatment	2020	\$ 9,248,000	0.00%	2044	\$ 3,833,122

The City has pledged all future municipal energy sales and use tax and municipal telecommunications license tax revenues, and tax increment revenue from the Market Station project area, to repay \$9.1 million in Redevelopment Agency excise tax and tax increment bonds issued in November 2020. The bonds are payable solely from municipal energy sales and use and municipal telecommunications license tax revenues, and tax increment revenue from the Market Station project area. Pledged taxes were projected to produce 213% of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is \$9,928,400, payable through November 2030. For the current year, principal and interest paid and total municipal energy sales and use tax and municipal telecommunications license tax revenues were \$1,108,741 and \$3,142,357, respectively.

The City has pledged future revenues of the City's water system to repay \$3 million in water revenue bonds issued in April 2001. The bonds are payable solely from revenues of the City's water system and are payable through January 2022. The bonds were paid off during the year ended June 30, 2022. Principal and interest paid for the current year and total water utility fund operating loss (excluding depreciation) were \$190,464 and \$(23,772), respectively.

The City has pledged future sewer revenues, net of specified operation and maintenance expenses, to repay \$1.23 million in sewer revenue bonds issued in August 2002. The bonds are payable solely from the net revenues of the City's sewer utility fund and are payable through February 2022. The bonds were paid off

during the year ended June 30, 2022. Principal and interest paid for the current year and total sewer utility fund net revenues were \$61,500 and \$1,789,268, respectively.

The City issued Series 2020A and 2020B Sewer Revenue Bonds during the year ended June 30, 2020. The Series 2020A bonds were issued for up to \$2,413,000, and the Series 2020B bonds were issued for up to \$6,835,000. These loans will be accounted for in business-type activities of the government-wide financial statements. The purpose of these bonds is to help fund the City's portion of costs of acquisition and construction of Central Valley Water Reclamation Facility collection system upgrades, expansion, and rehabilitation projects. Bond proceeds are advanced to the City as actual costs on the Central Valley project are incurred and submitted for reimbursement. As of June 30, 2022, the City has received \$1,889,000 and \$1,944,122 from the Series 2020A and 2020B bonds, respectively.

If the maximum principal amounts of the Series 2020A and 2020B bonds are advanced, annual principal payments totaling \$461,000 will be due beginning June 1, 2025 through June 1, 2044. The bonds bear interest at 0.0%. The City has pledged future sewer revenue, net of specified operation and maintenance expenses, to repay these bonds. The bonds are payable solely from the net revenues of the City's sewer utility fund.

Revenue bond debt service requirements to maturity are as follows:

Year Ending		Governmental Activities				Business-type Activities					
June 30,	P	Principal		Interest Principal		Principal	In	terest			
2023	\$	790,000	\$	317,800	\$	-	\$	-			
2024		820,000		285,600		-		-			
2025		850,000		252,200		461,000		-			
2026		885,000		217,500		461,000		-			
2027		920,000		181,400		461,000					
2028-2032		4,075,000		333,900		1,522,122		-			
2033-2037		-		-		605,000		-			
2038-2042		-		-		323,000		-			
2043-2044		-		-		-		_			
Total	\$	8,340,000	\$	1,588,400	\$	3,833,122	\$	-			

Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2022, was as follows:

	Beginning			Ending	Due Within
	Balance	Additions	Reductions	Balance	One Year
Governmental Activities: Bonds payable:					
Revenue bonds	\$ 9,100,000	\$ -	\$ (760,000)	\$ 8,340,000	\$ 790,000
Premium on revenue bonds	1,357,475	-	(244,418)	1,113,057	-
Total bonds payable	10,457,475	-	(1,004,418)	9,453,057	790,000
Compensated absences	778,811	942,299	(863,772)	857,338	500,622
Net pension liability	1,987,873		(1,987,873)		
Governmental Activities Long-Term Liabilities	\$ 13,224,159	\$ 942,299	\$ (3,856,063)	\$ 10,310,395	\$ 1,290,622
	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-Type Activities:					
Bonds payable:					
2001 taxable water revenue					
bonds	\$ 186,000	\$ -	\$ (186,000)	\$ -	\$ -
2002 taxable sewer revenue bonds 2020A&B taxable sewer	61,500	-	(61,500)	-	-
revenue bonds	3,283,000	550,122	-	3,833,122	-
Total bonds payable	3,530,500	550,122	(247,500)	3,833,122	-
Obligation under CVWRF					
bonds	2,613,235	2,645,496	(358,545)	4,900,186	-
Compensated absences	32,306	46,210	(39,500)	39,016	24,833
Net pension liability	29,310		(29,310)		
Business-Type Activities					
Long-Term Liabilities	\$ 6,205,351	\$ 3,241,828	\$ (674,855)	\$ 8,772,324	\$ 24,833

Compensated absences in the governmental activities are generally liquidated by the General Fund.

NOTE 7 – OBLIGATION UNDER CENTRAL VALLEY REVENUE BONDS

The City is obligated to make debt service payments to Central Valley in relation to the Series 2017A, 2021A, and 2021B sewer revenue bonds issued by Central Valley between July 2017 and June 2021. The City is billed monthly in proportion to its ownership as a percentage of the total ownership represented by the four

member entities (2017A) and seven member entities (2021A and 2021B) participating in the bonds. For the year ended June 30, 2022, the City made payments of approximately \$353,000. The City has elected to account for its share of the Central Valley bonds as a nonexchange financial guarantee. The City's share of the unpaid principal balance of the revenue bonds was \$4,900,186 at June 30, 2022, which is reflected in the proprietary fund statement of net position (sewer utility fund) and business-type activities in the government-wide statement of net position. The bonds mature between 2037 and 2041. The beginning balance of the City's obligation was \$2,613,235. The City's share of principal paid during the fiscal year was \$207,448, which reduced the obligation, plus a decrease of \$151,097 due to an increase in the City's ownership during the current fiscal year. The City also added obligations related to the 2021A and 2021B bonds totaling \$2,645,496 during the current fiscal year.

NOTE 8 – RETIREMENT SYSTEMS AND PENSION PLANS

Description of Plans

Eligible plan participants are provided with the following plans through the Utah Retirement Systems (the URS):

Defined Benefit Pension Plans (cost-sharing, multiple-employer plans):

- Public Employees Noncontributory Retirement System (Tier 1 Noncontributory System)
- Firefighters Retirement System (Firefighters System)
- Public Safety Retirement System (Public Safety System)
- Tier 2 Public Employees Contributory Retirement System (Tier 2 Contributory System)
- Tier 2 Public Safety and Firefighter Contributory Retirement System (Tier 2 Public Safety and Firefighters System)

Defined Contribution Plans (individual account plans):

- 401(k) Plan
- 457 Plan and other individual plans

Employees qualify for membership in the retirement systems if a) employment, contemplated to continue during a fiscal or calendar year, normally requires an average of 20 or more hours per week and the employee receives benefits normally provided by us as approved by the Utah State Retirement Board, b) the employee is a classified school employee whose employment normally requires an average of 20 hours or more per week regardless of benefits, c) the employee is a teacher who teaches half-time or more and receives benefits normally provided by us as approved by the Utah State Retirement Board, or d) the employee is an appointed officer.

The Tier 2 Public Employees System became effective July 1, 2011. All eligible employees beginning on or after July 1, 2011, who have no previous service credit with any of the systems, are members of the Tier 2 systems.

The plans are established and governed by the respective sections of Title 49 of the *Utah Code*. The plans are amended statutorily by the Utah State Legislature. Title 49 provides for the administration of the plans under the direction of the Utah State Retirement Board, whose members are appointed by the Governor.

The URS (a component unit of the State of Utah) issues a publicly available financial report that can be obtained at www.urs.org.

Benefits Provided

URS provides retirement, disability, and death benefits to participants in the defined benefit pension plans.

Retirement benefits in the defined benefit pension plans are determined from 1.50% to 2.00% of the employee's highest 3 or 5 years of compensation times the employee's years of service depending on the pension plan; benefits are subject to cost-of-living adjustments up to 2.50% or 4.00%, limited to the actual Consumer Price Index increase for the year. Employees are eligible to retire based on years of service and age.

Defined contribution plans are available as supplemental plans to the basic retirement benefits of the defined benefit pension plans and as a primary retirement plan for some Tier 2 participants. Participants in the defined contribution plans are fully vested in employer and employee contributions at the time the contributions are made, except Tier 2 required contributions and associated earnings are vested during the first four years of employment. If an employee terminates prior to the vesting period, employer contributions and associated earnings for that employee are subject to forfeiture. Forfeitures are used to cover a portion of the plan's administrative expenses paid by participants. Benefits depend on amounts contributed to the plans plus investment earnings. Individual accounts are provided for each employee and are available at termination, retirement, death, or unforeseeable emergency.

Contributions

As a condition of participation in the plans, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the Utah State Retirement Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable), is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability.

For the year ended June 30, 2022, required contribution rates for the plans were as follows:

			Employer	
	Employee	Employer	401(k)	Totals
Tier 1 Noncontributory System	N/A	18.47%	N/A	18.47 %
Public Safety System	2.27%	26.99%	N/A	29.26 %
Firefighter System	15.05%	4.61%	N/A	19.66 %
Tier 2 Public Employees System	N/A	6.69%	10.00%	16.69 %
Tier 2 Public Safety and Firefighters	N/A	12.99%	14.00%	26.99 %

^{*} Tier 2 rates include statutory required contributions to finance the unfunded actuarial accrued liability of the Tier 1 plans.

Employees can make additional contributions to defined contribution plans subject to limitations.

For the year ended June 30, 2022, City and employee contributions to the plans were as follows:

	City Contributions *		Employee Contribution		
Tier 1 Noncontributory System	\$	674,193	\$	_	
Public Safety System		1,084,147		-	
Firefighters System		110,377		393,940	
Tier 2 Public Employees System		581,625		-	
Tier 2 Public Safety and Firefighters		708,743		-	
Tier 2 Defined Contribution Plans		61,440		-	
Tier 2 DC Public Safety and Firefighters		21,116			
401(k) Plan		639,436		527,346	
457 Plan and other individual plans		-		372,708	

^{*} A portion of required contributions in the Tier 2 plans is used to finance the unfunded actuarial accrued liability in the Tier 1 plans.

Pension Assets and Liabilities, Pension Expense, and Deferred Outflows and Deferred Inflows of Resources Relating to Pensions

At June 30, 2022, the City reported a net pension asset of \$8,940,138 and a net pension liability of \$0 for the following plans:

	N	et Pension Asset	 Pension ability
Tier 1 Noncontributory System	\$	2,758,277	\$ -
Public Safety System		1,731,243	-
Firefighters System		4,317,412	-
Tier 2 Public Employees System		72,619	-
Tier 2 Public Saftey and Firefighters		60,587	 -
Total	\$	8,940,138	\$ -

The net pension liability (asset) was measured as of December 31, 2021, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of January 1, 2021, and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension liability (asset) is equal to the ratio of the City's actual contributions compared to the total of all employer contributions during the plan year. The following presents the City's proportion (percentage) of the collective net pension liability (asset) at December 31, 2021 and the change in proportion since the prior measurement date for each plan:

	Proportionate Share				
	2021	Change			
Tier 1 Noncontributory System	0.4816178 %	0.0072609 %			
Public Safety System	2.1316979 %	0.1532210 %			
Firefighers System	7.4027624 %	(0.7667383)%			
Tier 2 Public Employees System	0.1715807 %	0.0153011 %			
Tier 2 Public Safety and Firefighters	1.1987341 %	(0.0139951)%			

For the year ended June 30, 2022, the City recognized pension expense of \$(500,488).

At June 30, 2022, the City reported deferred outflows of resources related to defined benefit pension plans from the following sources:

_	Deferred Outflows of Resources Related to Pensions										
	Nonc	Tier 1 ontributory System	Pu	ablic Safety System		refighters System	E	er 2 Public mployees System	Sa	er 2 Public aftey and refighters	 Total
Differences between expected and actual experience Changes of assumptions Changes in proportion and differences between City	\$	288,900 258,874	\$	147,348 303,524	\$	303,303 424,426	\$	35,280 67,712	\$	51,918 67,989	\$ 826,749 1,122,525
contributions and proportionate share of contributions Contributions subsequent to the measurement date		26,717 340,945		169,341 551,928		137,249 54,836		40,288 340,138		15,661 361,427	 389,256 1,649,274
Total	\$	915,436	\$	1,172,141	\$	919,814	\$	483,418	\$	496,995	\$ 3,987,804

At June 30, 2022, the City reported deferred inflows of resources related to defined benefit pension plans from the following sources:

<u> </u>	Deferred Inflows of Resources Related to Pensions										
	Tier 1 contributory System	Pu	blic Safety System		refighters System	E	er 2 Public mployees System	S	er 2 Public aftey and refighters		Total
Differences between expected and actual experience Changes of assumptions Net difference between projected and actual earnings	\$ - 17,804	\$	18,007	\$	38,619	\$	9,356 687	\$	9,953 10,768	\$	57,928 47,266
on pension plan investments Changes in proportion and differences between City contributions and proportionate share of contributions	3,713,649		4,679,483		2,665,348 49,196		179,433 - -		185,189 6,863		11,423,102 56,059
Total	\$ 3,731,453	\$	4,697,490	\$	2,753,163	\$	189,476	\$	212,773	\$	11,584,355

The \$1,649,274 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date of December 31, 2021 will be recognized as a reduction of the net pension liability (asset) in the year ending June 30, 2023. The other amounts reports as deferred outflows of resources and deferred inflows of resources related to defined benefit pension plans will be recognized in pension expense as follows:

Year Ending June 30,	Noi	Tier 1 ncontributory System	blic Safety System	refighters System	Er	r 2 Public nployees System	Sa	r 2 Public oftey and refighters	Total
2022	\$	(593,240)	\$ (669,008)	\$ (376,781)	\$	(33,693)	\$	(40,963)	\$ (1,713,685)
2023		(1,048,649)	(1,477,549)	(686,895)		(43,200)		(49,285)	(3,305,578)
2024		(898,037)	(1,154,905)	(515,649)		(31,332)		(38,369)	(2,638,292)
2025		(617,036)	(775,815)	(327,096)		(18,031)		(26,284)	(1,764,262)
2026		-	-	18,234		14,090		7,572	39,896
Thereafter		-	-	-		65,971		70,126	136,097

Actuarial Assumptions

The total pension liability in the December 31, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation 2.50%

Salary increases 3.25% to 9.25%, average, including inflation

Investment rate of return 6.85%, net of pension plan investment expense, including inflation

Mortality rates were based on actual experience and mortality tables, considering gender, occupation, and age, as appropriate, with adjustments for future improvement in mortality based on Scale AA, a model developed by the Society of Actuaries.

The actuarial assumptions used in the January 1, 2020 valuation were based on the results of an actuarial experience study for the five-year period ended December 31, 2019. Assumptions remained unchanged that affect measurement of the total pension liability (asset) since the prior measurement date.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class and is applied consistently to each defined benefit pension plan. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity securities	37%	2.43 %
Debt securities	20%	(0.06)%
Real assets	15%	0.87 %
Private equity	12%	1.18 %
Absolute return	16%	0.47 %
Cash and cash equivalents	0%	0.00 %
Total	100%	4.89 %

Discount Rate

The discount rate used to measure the total pension liability (asset) was 6.85%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from all participating employers will be made at contractually required rates, actuarially determined and certified by the Utah State Retirement Board. Based on those assumptions, the plans' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability (asset). The discount rate does not use the Municipal Bond Index Rate. The discount rate was reduced from 6.95% to 6.85% from the prior measurement date.

CITY OF SOUTH SALT LAKE NOTES TO THE FINANCIAL STATEMENTS

Sensitivity of the City's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents our proportionate share of the net pension liability (asset) calculated using the discount rate of 6.85%, as well as what our proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.85%) or 1-percentage-point higher (7.85%) than the current rate:

	1% Decrease (5.85%)			Discount Rate (6.85%)		1% Increase (7.85%)
City's proportionate share of the net pension liability (asset): Tier 1 Noncontributory System	\$	1,483,209	\$	(2,758,277)	\$	(6,296,969)
Public Safety System Firefighters System Tier 2 Public Employees System Tier 2 Public Safety and Firefighters		4,269,813 (1,057,237) 432,682 486,059	Ψ 	(1,731,243) (4,317,412) (72,619) (60,587)	Ψ 	(6,604,515) (6,959,894) (460,586) (494,548)
Total	\$	5,614,526	\$	(8,940,138)	\$	(20,816,512)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued URS financial report.

NOTE 9 – RISK MANAGEMENT

The City of South Salt Lake, as a provider of municipal services, is exposed to a number of risks. Among these are police enforcement liability, auto liability, road maintenance exposure, public official's errors and omissions, and property losses. The City has determined that the inherent risk of providing services necessitates implementing risk management policies and purchasing commercial liability insurance. This combination has resulted in fewer claims against the City and sufficient protection when claims occur.

There has not been any reduction in insurance coverage in the past year for any insurance category. The amounts of settlements for any of the past three years have not exceeded coverage amounts.

The City contracts with commercial insurance coverage for general liability, auto liability, law enforcement liability and public official's errors and omissions type risks. The City maintains an Insurance Reserve Fund to fund deductibles and small equipment losses. As a result, the City does not have any outstanding insurance liabilities from year to year. However, the City does have annual expenses, which change.

For the year ended June 30, 2022, the Insurance Reserve Fund paid \$972,266 in expenses. Current expenses include insurance deductible for insurance coverage and claims on uninsured property such as police and other City vehicles and small trucks, legal fees and insurance premiums.

CITY OF SOUTH SALT LAKE NOTES TO THE FINANCIAL STATEMENTS

NOTE 10 – REDVELOPMENT AGENCY

In accordance with Utah Code Section 17C-1-605(2), the City's Redevelopment Agency is required to disclose the following information for fiscal year 2022:

A. The tax increment collected by the Agency for each project area is as follows:

Project Area	2022
Market Station	\$ 199,605
Westech Engineering	142,934
Streetcar Community Development	 399,739
Total	\$ 742,278

- B. There were no amounts of tax increment paid to any taxing agency during the year.
- C. The outstanding principal amount of bonds issued or other loans incurred to finance the costs associated with project areas is as follows:

	2022
Excise tax and tax increment revenue bonds	\$ 8,340,000

The actual amount expended for:

		2022		
Administrative costs of the Agency	\$	392,589		
Principal on bonds payable		760,000		
Interest and fiscal charges on bonds		348,741		
Market Station property management costs		64,229		
Tax increment distributions under contracts:				
Market Station		29,894		
Westech Engineering		20,373		
Streetcar Community Development		352,323		
	\$	1,968,149		

NOTE 11 – CONTINGENT LIABILITIES

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amounts, if any, of expenditures, which may be disallowed by the grantor, cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

CITY OF SOUTH SALT LAKE NOTES TO THE FINANCIAL STATEMENTS

The City is a defendant in various lawsuits. Although the outcome of most of these lawsuits is not presently determinable, it is the opinion of the City's counsel that resolution of these matters will not have a material adverse effect on the financial condition of the City.

NOTE 12 – COMMITMENTS

The City has committed with six other entities to fund future capital projects of the Central Valley Water Reclamation Facility.

During the year ended June 30, 2022, the City entered into a cancellable contract to purchase a fire engine under a lease purchase agreement for approximately \$1,400,000. As of June 30, 2022, production on the fire truck had not yet commenced and no delivery has yet occurred.

NOTE 13 – SUBSEQUENT EVENTS

Subsequent to June 30, 2022, the City issued Sewer Revenue Bonds, Series 2022, in the amount of \$1,032,000. The bonds bear no interest and are due in annual installments beginning in 2025, maturing in 2034.

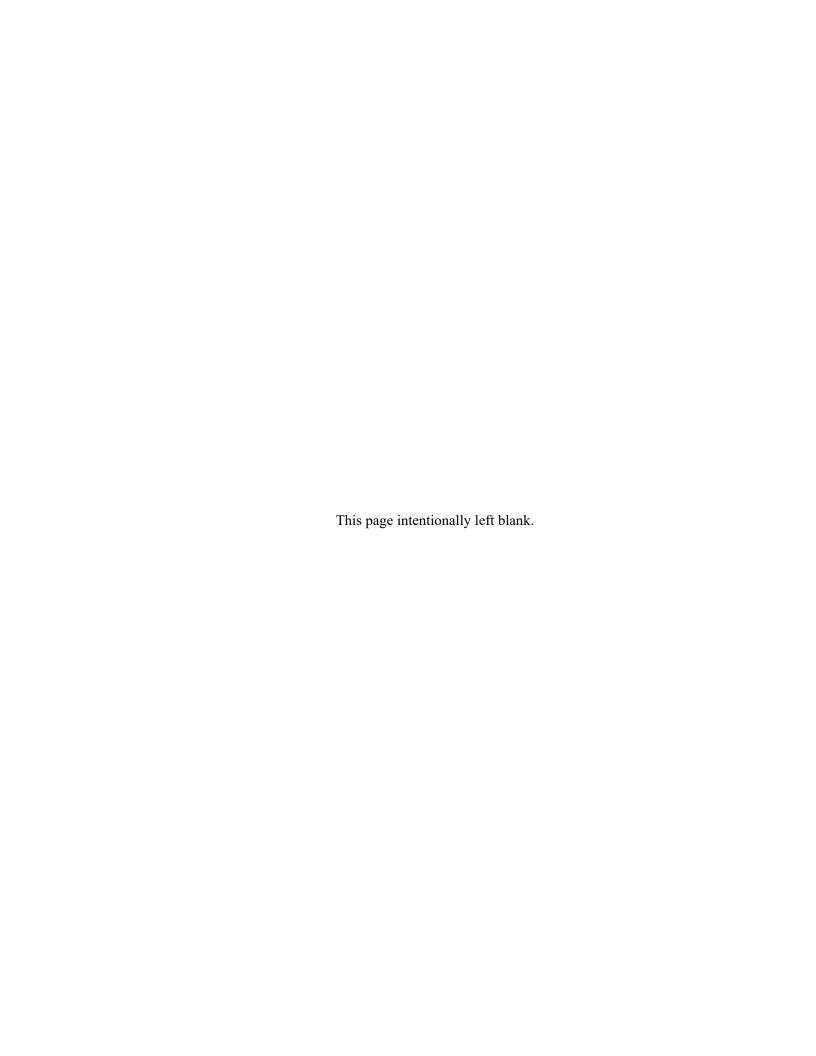
Subsequent to June 30, 2022, the City's agreement with the State of Utah's Division of Water Quality was amended to increase the principal forgiveness on the City's existing sewer revenue bonds by \$1,760,000, to a total of \$3,760,000 in principal forgiveness.

For calendar year 2022, the City maintained its general property tax rate, which is more than the certified rate, at a rate of 0.001536%, and also instituted a public safety service levy property tax at a rate of 0.001029%, which will be accounted for in a newly established public safety special revenue fund.

Subsequent to June 30, 2022, the City also established a new storm water utility fund and began charging a new stormwater fee of \$6 per month per equivalent residential unit (effective July 1, 2022).

Subsequent to June 30, 2022, the City entered into a cancellable lease purchase agreement in the amount of approximately \$1.2 million to purchase three new ambulances. The ambulances are not expected to be delivered for approximately three years due to longer than usual lead times on production. The established agreement secures fixed pricing, which will not be subject to future inflation.





CITY OF SOUTH SALT LAKE SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND

For the year ended June 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget- Positive	
	Original	Final	Actual	(Negative)	
Revenues:					
Property taxes	\$ 5,621,306	\$ 5,621,306	\$ 6,136,313	\$ 515,007	
Sales taxes	17,325,000	17,572,663	19,545,771	1,973,108	
Other taxes	3,025,000	3,025,000	3,183,105	158,105	
Licenses and permits	1,995,000	1,995,000	1,533,033	(461,967)	
Intergovernmental	5,874,677	5,890,432	6,773,764	883,332	
Charges for services	2,365,500	2,384,500	3,060,835	676,335	
Fines and forfeitures	557,500	628,500	638,548	10,048	
Investment earnings	80,000	80,000	163,314	83,314	
Rental income	227,000	227,000	295,054	68,054	
Miscellaneous revenues	584,654	621,299	436,887	(184,412)	
Total revenues	37,655,637	38,045,700	41,766,624	3,720,924	
Expenditures:					
Current:					
General government:					
Administrative	2,440,000	2,448,163	2,285,652	162,511	
City council	219,900	232,800	201,561	31,239	
Municipal court	849,300	875,300	817,486	57,814	
City attorney	852,800	1,008,800	974,040	34,760	
City hall building	430,000	430,000	427,511	2,489	
Public buildings	520,400	520,400	486,765	33,635	
Public safety:					
Police department	11,249,831	12,439,831	11,995,439	444,392	
Dispatching	689,000	689,000	635,536	53,464	
Urban livability	387,500	389,500	205,111	184,389	
Fire department	8,206,900	8,261,900	8,050,348	211,552	
Highways and public improvements:					
Streets and highways	2,465,850	2,492,850	2,273,677	219,173	
Engineering	1,589,400	1,609,900	1,278,557	331,343	
Public assets	634,100	634,100	601,133	32,967	
Building and planning services	1,600,225	1,600,225	1,342,109	258,116	
Parks, recreation and culture:					
Recreation	574,350	583,350	499,745	83,605	
Parks	624,890	624,890	480,361	144,529	
SSL Promise	2,500,000	2,502,501	2,061,860	440,641	
Community events	993,500	1,014,500	1,004,640	9,860	
Capital outlay: Highways and public improvements - Streets			205,113	(205,113)	
Total expenditures	36,827,946	38,358,010	35,826,644	2,531,366	
Excess of Revenues Over Expenditures	827,691	(312,310)	5,939,980	6,252,290	
Other Financing Sources (Uses):					
Transfers in (out)	(1,112,000)	(1,112,000)	(1,112,000)	-	
Total other financing sources (uses)	(1,112,000)	(1,112,000)	(1,112,000)		
Net Change in Fund Balances	(284,309)	(1,424,310)	4,827,980	6,252,290	
Fund Balances – Beginning	13,414,827	13,414,827	13,414,827		
Fund Balances – Ending	\$ 13,130,518	\$11,990,517	\$ 18,242,807	\$ 6,252,290	
	=				

The accompanying notes are an integral part of this financial statement.

CITY OF SOUTH SALT LAKE

Schedules of the City's Proportionate Share of the Net Pension Liability (Asset) – Utah Retirement Systems

Last Eight Plan (Calendar) Years

Plan Year	City's Proportion of Net Pension Liability (Asset)	Sha	City's roportionate are of the Net ision Liability (Asset)	Cit	y's Covered Payroll	City's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
Tior 1 No	ncontributory System	m·					
2022	0.4816178 %	\$	(2,758,277)	\$	3,563,388	(77.41)%	108.7 %
2021	0.4743569 %	Ψ	243,318	Ψ	3,575,940	6.80 %	99.2 %
2020	0.4700026 %		1,771,378		3,657,925	48.43 %	93.7 %
2019	0.4638804 %		3,415,887		3,613,013	94.54 %	87.0 %
2018	0.4635013 %		2,030,738		3,665,873	55.40 %	91.9 %
2017	0.4772586 %		3,064,585		3,914,785	78.28 %	87.3 %
2016	0.4638931 %		2,624,933		3,845,815	68.25 %	87.8 %
2015	0.4844024 %		2,103,389		4,029,647	52.20 %	90.2 %
Public Sa	fety System:						
2022	2.1316979 %	\$	(1,731,243)	\$	3,061,571	(56.55)%	104.2 %
2021	1.9784769 %		1,642,613		2,855,429	57.53 %	95.5 %
2020	1.9478711 %		3,127,536		2,807,164	111.41 %	90.9 %
2019	0.0177061 %		4,555,033		2,640,424	172.51 %	84.7 %
2018	1.7508336 %		2,746,460		2,576,246	106.61 %	90.2 %
2017	1.8602397 %		3,774,940		2,734,900	138.03 %	86.5 %
2016	1.8786968 %		3,365,218		2,803,802	120.02 %	87.1 %
2015	1.9929293 %		2,506,274		3,049,752	82.18 %	90.5 %
	ers System:						
2022	7.4027624 %	\$	(4,317,412)	\$	2,468,052	(174.93)%	120.1 %
2021	8.1695007 %		(2,284,356)		2,665,227	(85.71)%	110.5 %
2020	7.3567202 %		(912,380)		2,380,149	(38.33)%	105.0 %
2019	0.2742852 %		117,470		3,225,660	3.64 %	90.8 %
2018	0.2692763 %		23,741		2,644,111	0.90 %	97.4 %
2017	0.2647474 %		29,532		2,171,140	1.36 %	95.1 %
2016	0.2453760 %		(536)		1,584,600	(0.03)%	100.2 %
2015	0.2161573 %		(6,551)		1,057,666	(0.62)%	103.5 %
Tier 2 Pu 2022	blic Employees Syste 0.1715807 %	em: \$	(72.610)	•	3,183,804	(2.28)%	103.8 %
2022	0.1713807 %	Ф	(72,619) 22,477	\$	2,498,390	0.90 %	98.3 %
2021	0.1590859 %		35,780		2,498,390	1.62 %	96.5 %
2019	7.4018263 %		961,107		2,454,080	39.16 %	94.3 %
2019	7.9670752 %		(497,586)		2,483,013	(20.04)%	103.0 %
2017	9.6015631 %		(75,694)		2,848,274	(2.66)%	100.4 %
2016	9.6025888 %		(173,922)		2,726,926	(6.38)%	101.0 %
2015	10.1011834 %		(576,412)		2,789,645	(20.66)%	103.5 %
Tier 2 Pu	blic Safety and Firef	ighte	rs:				
2022	1.1987341 %	\$	(60,587)	\$	2,866,626	(2.11)%	102.8 %
2021	1.2127292 %		108,775		2,422,156	4.49 %	93.1 %
2020	1.1978986 %		112,680		1,973,975	5.71 %	89.6 %
2019	0.8251895 %		20,676		1,104,284	1.87 %	95.6 %
2018	0.9508348 %		(11,002)		1,003,771	(1.10)%	103.0 %
2017	0.9858136 %		(8,557)		814,504	(1.05)%	103.6 %
2016	0.7412166 %		(10,829)		441,213	(2.45)%	110.7 %
2015	0.3347151 %		(4,952)		138,515	(3.58)%	120.5 %
The accon	npanying notes are ar	integ	gral part of this	sched	ıle.		

Last Nine Reporting (Fiscal) Years

Reporting Year		Contractually Required Contribution		Contributions in Relation to the ntractually Required Contribution		tribution ncy (Excess)	C	ity's Covered Payroll	Contributions as a Percentage of Covered Payroll
Tier 1 Noncontributo	rv S	System:							
2022	" \$	674,193	\$	674,193	\$	_	\$	3,762,912	17.92 %
2021	Ψ	632,297	Ψ	632,297	Ψ	_	Ψ	3,565,195	17.74 %
2020		637,440		637,440		_		3,598,499	17.71 %
2019		645,311		645,311		_		3,654,156	17.66 %
2018		647,580		647,580		_		3,638,206	17.80 %
2017		685,959		685,959		-		3,829,211	17.91 %
2016		682,065		682,065		_		3,804,154	17.93 %
2015		709,411		709,411		-		3,902,803	18.18 %
2014		714,812		714,812		-		4,166,753	17.16 %
Public Safety System	:								
2022	\$	1,084,147	\$	1,084,147	\$	-	\$	3,456,905	31.36 %
2021		883,069		883,069		-		2,777,352	31.80 %
2020		945,583		945,583		-		2,905,685	32.54 %
2019		868,849		868,849		-		2,691,143	32.29 %
2018		845,885		845,885		-		2,615,021	32.35 %
2017		874,983		874,983		-		2,674,697	32.71 %
2016		877,139		877,139		-		2,692,988	32.57 %
2015		962,509		962,509		-		2,937,283	32.77 %
2014		961,403		961,403		-		3,145,760	30.56 %
Firefighters System:									
2022	\$	110,377	\$	110,377	\$	-	\$	2,394,318	4.61 %
2021		120,646		120,646		-		2,617,641	4.61 %
2020		118,665		118,665		-		2,563,095	4.63 %
2019		104,291		104,291		-		2,366,469	4.41 %
2018		88,962		88,962		-		2,417,367	3.68 %
2017		98,315		98,315		-		2,679,155	3.67 %
2016		106,229		106,229		-		2,807,604	3.78 %
2015		100,933		100,933		-		2,784,354	3.63 %
2014		77,323		77,323		-		2,748,282	2.81 %
Tier 2 Public Employ				**************************************					450701
2022	\$	581,625	\$	581,625	\$	-	\$	3,623,240	16.05 %
2021		437,039		437,039		-		2,775,089	15.75 %
2020		368,577		368,577		-		2,357,085	15.64 %
2019		324,639		324,639		-		2,089,885	15.53 %
2018		258,310		258,310		-		1,711,676	15.09 %
2017		254,533		254,533		-		1,707,553	14.91 %
2016		175,619		175,619		-		1,177,861	14.91 %
2015		129,757		129,757		-		868,354	14.94 %
2014		81,435		81,435		-		583,420	13.96 %
Tier 2 Public Safety a				- 00 -10					
2022	\$	708,743	\$	708,743	\$	-	\$	3,208,879	22.09 %
2021		541,882		541,882		-		2,446,194	22.15 %
2020		455,728		455,728		-		2,388,891	19.08 %
2019		276,578		276,578		-		1,394,634	19.83 %
2018		196,256		196,256		-		1,046,369	18.76 %
2017		194,686		194,686		-		989,937	19.67 %
2016		129,495		129,495		-		589,487	21.97 %
2015		57,347		57,347		-		253,843	22.59 %
2014		23,024		23,024		-		117,746	19.55 %
Tier 2 Public Employ 2022	ee I \$	OC Only System 61,440	\$	61,440	\$		\$	918,790	6.69 %
2021	ψ	60,180	φ	60,180	Ψ	-	φ	902,517	6.67 %
2020		64,423		64,423		-		962,075	6.70 %
2019		50,443		50,443		-		754,152	6.69 %
2019		38,185		38,185		-		567,987	6.72 %
2018		19,209		19,209		-		287,248	6.69 %
2016						-			6.69 %
2016		8,426 3,507		8,426 3,507		-		125,949	
2015		3,507		3,507		-		52,047	6.74 % 5.58 %
2014		2,616		2,616		-		46,878	5.58 %

The accompanying notes are an integral part of this schedule.

CITY OF SOUTH SALT LAKE

Schedules of City Contributions – Utah Retirement Systems (continued)

Last Nine Reporting (Fiscal) Years

Reporting Year		ontractually Required ontribution		Contributions in Relation to the tractually Required Contribution	ntribution ency (Excess)	y's Covered Payroll	Contributions as a Percentage of Covered Payroll
Tier 2 Public Safet	y and F	irefighter Systen	ı - DC	Only System			
2022	\$	21,116	\$	21,116	\$ -	\$ 887,815	2.38 %
2021		12,219		12,219	-	767,155	1.59 %
2020		811		811	-	569,615	0.14 %
2019		1,663		1,663	-	352,122	0.47 %
2018		6,301		6,301	-	214,148	2.94 %
2017		1,883		1,883	-	83,584	2.25 %
2016		37		37	-	46,859	0.08 %
2015		33		33	-	41,347	0.08 %
2014		23		23	-	21,205	0.11 %

The accompanying notes are an integral part of this schedule.

CITY OF SOUTH SALT LAKE NOTES TO OTHER SUPPPLEMENTARY INFORMATION

NOTE A – GENERAL FUND BUDGETARY INFORMATION

The budget for the general fund is adopted and presented on a modified accrual basis consistent with U.S. generally accepted accounting principles. See Note 1 to the basic financial statements.

NOTE B – CHANGES IN ASSUMPTIONS – UTAH RETIREMENT SYSTEMS

Amounts reported in plan year 2021 reflect a decrease in the investment return assumption by 0.10% to 6.85% for use in the January 1, 2021 actuarial valuation. This assumption change was based on analysis performed by the actuary and adopted by the Utah State Retirement Board. In aggregate, this assumption change resulted in a \$509 million increase in the Total Pension Liability, which is about 1.3% of the Total Pension Liability as of December 31, 2020 for all systems combined. The demographic assumptions were reviewed and updated in the January 1, 2020 actuarial valuation and are currently scheduled to be reviewed in the year 2023.

Amount reported in plan year 2020 reflect a number of demographic assumption updates (e.g. rates of termination, disability, retirement, as well as an updated mortality and salary increase assumption). These assumptions were adopted by the Utah State Retirement Board as a result of an Actuarial Experience Study performed for the Utah Retirement Systems. In aggregate, those assumption changes resulted in a \$201 million increase in the Total Pension Liability, which is about 0.50% of the Total Pension Liability as of December 31, 2019 for all plans combined.

Assumptions for plan years 2019 and 2018 remain unchanged from the prior year.

Amounts reported in plan year 2017 reflect the following assumption changes adopted from the January 1, 2017 valuation:

- The investment return assumption was decreased from 7.20% to 6.95%.
- The inflation assumption decreased from 2.60% to 2.50%.
- The life expectancy assumption increased for most groups.
- The wage inflation assumption decreased from 3.35% to 3.25%.
- The payroll growth assumption decreased from 3.10% to 3.00%.

Amounts reported in plan year 2016 reflect the following assumption changes adopted from the January 1, 2016 valuation:

- The investment return assumption was decreased from 7.50% to 7.20%.
- The inflation assumption decreased from 2.75% to 2.60%.
- Both the payroll growth and wage inflation assumptions were decreased by 0.15%.

Amounts reported in plan year 2015 reflect the following assumption changes adopted from the January 1, 2015 valuation:

- The wage inflation assumption for all employee groups was decreased from 3.75% to 3.50%.
- The payroll growth assumption was decreased from 3.50% to 3.25%.
- Other assumptions that were modified: rate of salary increases, post retirement mortality, and certain demographics.

CITY OF SOUTH SALT LAKE NOTES TO OTHER SUPPPLEMENTARY INFORMATION

NOTE C – SCHEDULES OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET) – UTAH RETIREMENT SYSTEMS

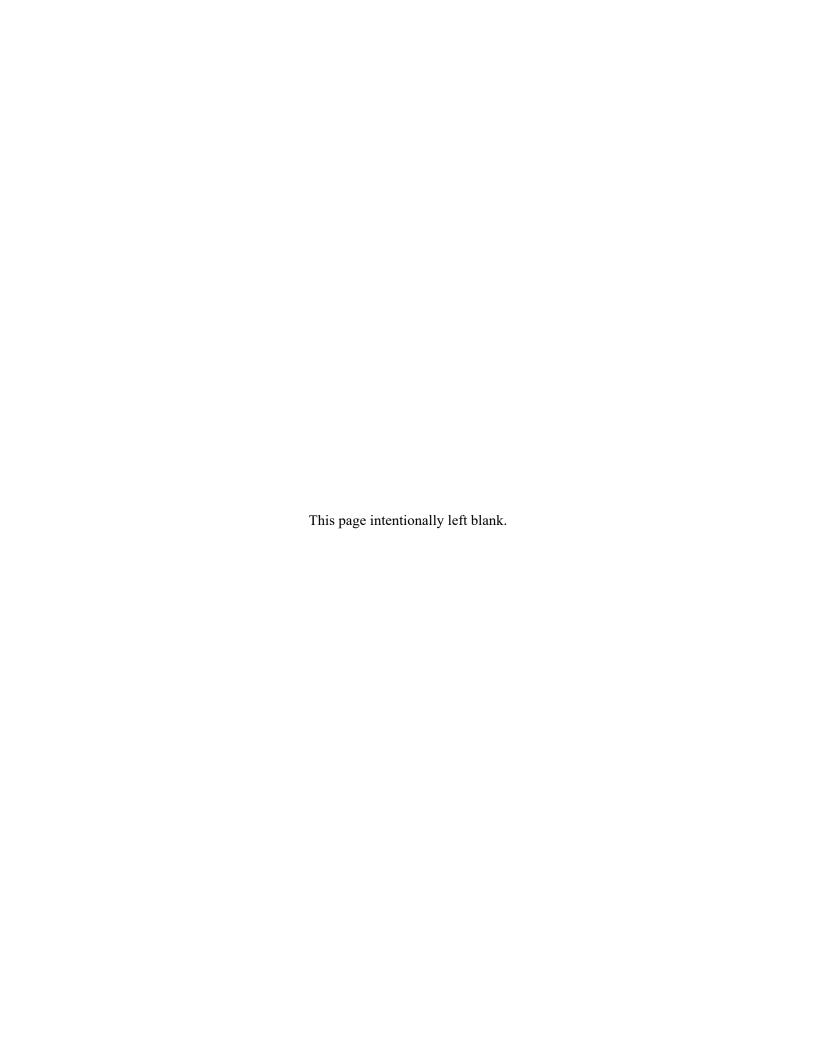
These schedules only present information for the 2015 and subsequent measurement periods of the plans; prior-year information is not available.

NOTE D – SCHEDULES OF CITY CONTRIBUTIONS – UTAH RETIREMENT SYSTEMS

These schedules only present information for the 2014 and subsequent reporting periods of the plans; prioryear information is not available.

Contributions as a percentage of covered payroll may be different than the Utah State Retirement Board certified rate due to rounding or other administrative issues. A portion of the required contributions in the Tier 2 plans is used to finance the unfunded actuarial accrued liability of the Tier 1 plans.





CITY OF SOUTH SALT LAKE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL CAPITAL PROJECTS FUND

For the year ended June 30, 2022

	Budgete	d Amounts		
	Original	Final	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues:	·			
Sales taxes	\$ 1,600,000	\$ 1,600,000	\$ 2,968,888	\$ 1,368,888
Intergovernmental	3,327,000	3,580,000	1,730,645	(1,849,355)
Impact fees	300,000	1,732,000	46,956	(1,685,044)
Investment earnings	200,000	200,000	47,441	(152,559)
Miscellaneous revenues		170,000	179,395	9,395
Total revenues	5,427,000	7,282,000	4,973,325	(2,308,675)
Expenditures: Capital outlay:				
General government	1,502,500	2,082,500	682,766	1,399,734
Public safety	1,977,500	1,977,500	1,498,252	479,248
Highways and public improvements	4,634,500	4,744,500	1,054,397	3,690,103
Parks and recreation	428,000	3,548,000	2,024,900	1,523,100
Total expenditures	8,542,500	12,352,500	5,260,315	7,092,185
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(3,115,500)	(5,070,500)	(286,990)	4,783,510
Other Financing Sources (Uses): Transfers (out)				
Sale of capital assets	50,000	50,000	144,055	94,055
•				
Total other financing sources (uses)	50,000	50,000	144,055	94,055
Net Change in Fund Balances	(3,065,500)	(5,020,500)	(142,935)	4,877,565
Fund Balances – Beginning	24,035,726	24,035,726	24,035,726	
Fund Balances – Ending	\$20,970,226	\$19,015,226	\$23,892,791	\$ 4,877,565

The accompanying notes are an integral part of this financial statement.

CITY OF SOUTH SALT LAKE SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -BUDGET AND ACTUAL - REDEVELOPMENT AGENCY

For the year ended June 30, 2022

	Budgete	ed Amounts		
			Actual Amounts (Budgetary	Variance with Final Budget-Positive
	Original	Final	Basis)	(Negative)
Revenues:	* -42.2-0	4 4 - 0 4 - 0
Property taxes	\$ 564,000	\$ 564,000	\$ 742,278	\$ 178,278
Investment earnings	1,000	1,000		(1,000)
Total revenues	565,000	565,000	742,278	177,278
Expenditures:				
Current:				
General government:	519,500	519,500	392,589	126,911
Highways and public improvements	-	52,900	53,919	(1,019)
Redevelopment	211,000	222,500	412,900	(190,400)
Debt Service:				
Principal retirement	760,000	1,760,000	760,000	1,000,000
Interest and fiscal charges	349,000	439,000	348,741	90,259
Bond issuance costs				
Total expenditures	1,839,500	2,993,900	1,968,149	1,025,751
Excess (Deficiency) of Revenues Over				
(Under) Expenditures	(1,274,500)	(2,428,900)	(1,225,871)	1,203,029
Other Financing Sources (Uses):				
Transfers in (out)	1,112,000	1,112,000	1,112,000	-
Proceeds from sale of property acquired for				
redevelopment		3,211,555	3,162,504	(49,051)
Total other financing sources (uses)	1,112,000	4,323,555	4,274,504	(49,051)
Net Change in Fund Balances	(162,500)	1,894,655	3,048,633	1,153,978
Fund Balances – Beginning, as restated	4,057,678	4,057,678	4,057,678	
Fund Balances – Ending	\$ 3,895,178	\$ 5,952,333	\$ 7,106,311	\$ 1,153,978

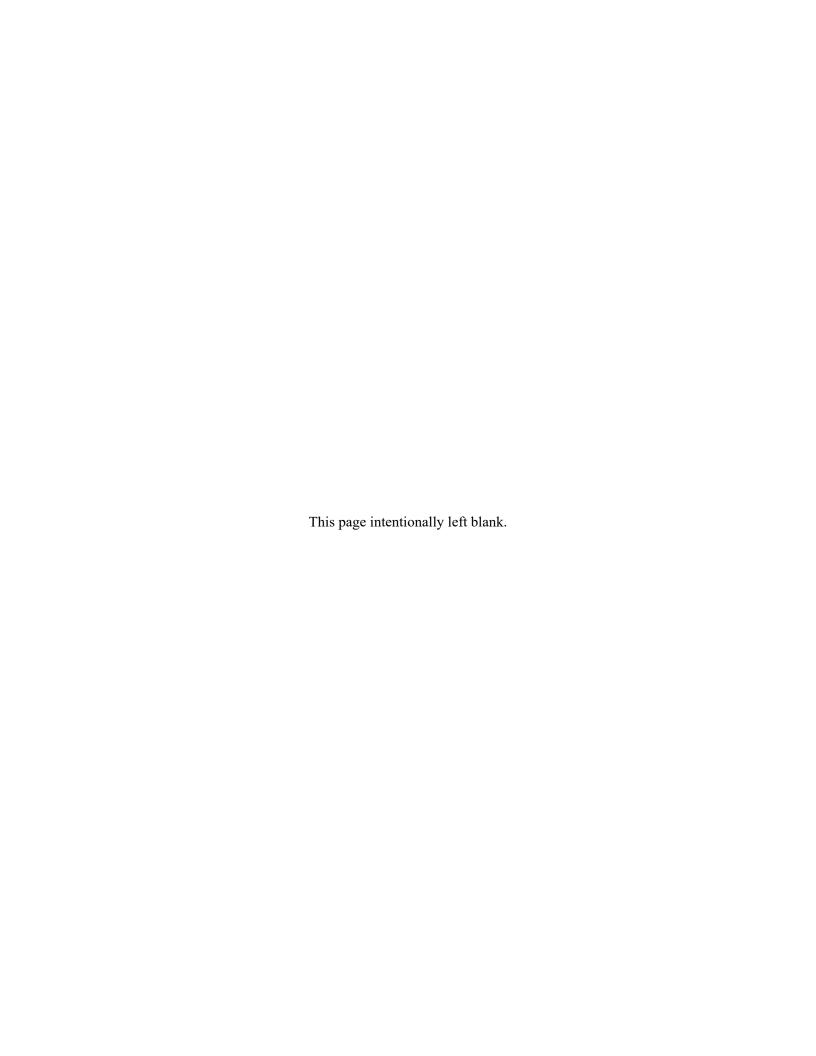
The accompanying notes are an integral part of this financial statement.

CITY OF SOUTH SALT LAKE NOTES TO OTHER SUPPPLEMENTARY INFORMATION

NOTE A – REDEVELOPMENT AGENCY BUDGETARY INFORMATION

Following is a reconciliation of redevelopment agency fund balance from budgetary basis to generally accepted accounting principles (GAAP) basis:

Ending fund balance - budgetary basis	\$ 7,106,311
Proceeds from sale of property acquired for redevelopment,	
net of gain and closing costs, reported as revenue under	
the budgetary basis	(3,162,504)
Ending fund balance - GAAP basis	\$ 3,943,807



Statistical Section

STATISTICAL SECTION

This part of the City of South Salt Lake's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents	Page
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	62-68
Revenue Capacity These schedules contain information to help the reader assess one of the City's revenue sources, sales taxes.	69-72
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	73-78
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	79-81
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	82-84

CITY OF SOUTH SALT LAKE NET POSITION BY COMPONENT

Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

	2013	2014	2015*	2016	2017	2018	2019	2020	2021	2022
Governmental activities										
Net investment in capital assets	\$ 43,908	\$ 43,243	\$ 43,232	\$ 44,489	\$ 44,327	\$ 44,687	\$ 49,468	\$ 50,064	\$ 50,098	\$ 51,287
Restricted	2,461	3,011	2,698	1,601	2,349	2,655	4,164	6,442	9,194	9,230
Unrestricted	15,698	16,106	10,002	10,252	8,234	9,460	12,042	15,921	24,536	39,384
Total governmental activities net position	\$ 62,067	\$ 62,360	\$ 55,932	\$ 56,342	\$ 54,910	\$ 56,802	\$ 65,674	\$ 72,427	\$ 83,828	\$ 99,901
Business-type activities										
Net investment in capital assets	\$ 10,752	\$ 10,826	\$ 10,513	\$ 10,809	\$ 11,132	\$ 11,593	\$ 10,850	\$ 10,890	\$ 10,408	\$ 10,362
Restricted	978	1,064	1,147	748	1,001	1,305	1,638	2,612	3,044	1,709
Unrestricted	7,638	7,464	7,323	8,666	7,872	6,788	3,328	3,111	2,641	(1,405)
Total business-type activities net position	\$ 19,368	\$ 19,354	\$ 18,983	\$ 20,223	\$ 20,005	\$ 19,686	\$ 15,816	\$ 16,613	\$ 16,093	\$ 10,666
Primary government										
Net investment in capital assets	\$ 54,660	\$ 54,069	\$ 53,745	\$ 55,298	\$ 55,459	\$ 56,280	\$ 60,318	\$ 60,954	\$ 60,506	\$ 61,649
Restricted	3,439	4,075	3,845	2,349	3,350	3,960	5,802	9,054	12,238	10,939
Unrestricted	23,336	23,570	17,325	18,918	16,106	16,248	15,370	19,032	27,177	37,979
Total primary government net position	\$ 81,435	\$ 81,714	\$ 74,915	\$ 76,565	\$ 74,915	\$ 76,488	\$ 81,490	\$ 89,040	\$ 99,921	\$110,567

^{*} GASB 68 implemented in FY 2015

CITY OF SOUTH SALT LAKE CHANGES IN NET POSITION

Last Ten Fiscal Years (accrual basis of accounting) (amounts expressed in thousands)

Expenses	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental Activities:										
General government	\$ 5,430	\$ 6,489	\$ 5,224	\$ 5,122	\$ 5,367	\$ 5,769	\$ 5,617	\$ 6,230	\$ 5,833	\$ 5,988
Public safety	13,721	13,683	13,418	13,639	14,444	14,130	17,202	19,882	19,432	20,510
Highways and public improvements	8,332	6,493	4,722	3,994	4,464	5,376	5,300	5,439	6,854	6,689
Parks, recreation and culture	1,881	2,175	2,546	3,010	4,123	3,544	3,803	3,530	3,230	4,014
Redevelopment	506	665	4,820	2,268	3,198	197	1,196	1,074	158	466
Interest on long-term debt	801	948	669	641	618	584	548	512	455	94
Total governmental activities	30,671	30,453	31,399	28,674	32,214	29,600	33,666	36,667	35,962	37,761
Business-type Activities:										
Water utility	2,014	2,104	2,194	2,219	2,204	2,436	2,719	2,696	2,463	2,804
Sewer utility	1,297	1,483	1,478	1,594	1,871	2,314	1,558	1,847	4,118	8,399
Solid waste collection *	n/a	n/a	443	407	408	453	536	520	512	516
Housing	198	222	353	70	837	108	-	_	_	_
Ambulance services	1,205	1,178	1,205	1,365	1,388	1,359	-	-	-	-
Total business-type activities	4,714	4,987	5,673	5,655	6,708	6,670	4,813	5,063	7,093	11,719
Total expenses	\$ 35,385	\$ 35,440	\$ 37,072	\$ 34,329	\$ 38,922	\$ 36,270	\$ 38,479	\$ 41,730	\$ 43,055	\$ 49,480
Program Revenues Governmental Activities: Charges for services:										
General government Public Safety	\$ 2,094 1,282	\$ 2,138 1,136	\$ 2,068 1,042	\$ 2,301 1,049	\$ 2,751 980	\$ 2,501 997	\$ 3,236 2,114	\$ 4,590 2,540	\$ 2,691 2,589	\$ 2,465 3,095
Highways and public improvements	-	-	-	-	-	-	-	-	-	-
Parks and recreation	34	29	31	35	64	45	70	78	58	87
Redevelopment	-	-	-	-	-	-	-	14	-	-
Operating grants and contributions	1,362	1,745	2,692	3,236	3,284	3,639	5,212	7,065	7,109	7,627
Capital grants and contributions	719	3,249	1,438	228	1,123	662	1,868	2,577	5,316	1,754
Total governmental activities	5,491	8,297	7,271	6,849	8,202	7,844	12,500	16,864	17,763	15,028
Business-type Activities: Charges for services:										
Water utility	2,427	2,317	2,283	2,259	2,265	2,221	2,494	2,511	2,490	2,212
Sewer utility	1,242	1,292	1,290	1,613	2,002	1,954	2,850	2,832	3,540	3,526
Solid waste collection *	n/a	n/a	495	504	500	503	496	503	527	523
Housing	214	103	66	52	46	59	-	-	-	-
Ambulance services	862	957	965	1,201	1,284	1,248	-	-	-	-
Operating grants and contributions	89	59	246	110	92	50	-	-	-	-
Capital grants and contributions	291				252	219				
Total business-type activities	5,125	4,728	5,345	5,739	6,441	6,254	5,840	5,846	6,557	6,261

Total program revenues	\$ 10,616	\$ 13,025	\$ 12,616	\$ 12,588	\$ 14,643	\$ 14,098	\$ 18,340	\$ 22,710	\$ 24,320	\$ 21,289
CITY OF SOUTH SALT LAKE CHANGES IN NET POSITION Last Ten Fiscal Years (accrual basis of accounting) (amounts expressed in thousands)										
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Net (Expense)/Revenue Governmental Activities Business-type Activities	\$ (25,180) 411	\$ (22,156) (259)	\$ (24,128) (328)	\$ (21,825) 84	\$ (24,012) (267)	\$ (21,756) (416)	\$ (21,166) 1,027	\$ (19,803) 783	\$ (18,199) (536)	\$ (22,733) (5,458)
Total net expense	\$ (24,769)	\$ (22,415)	\$ (24,456)	\$ (21,741)	\$ (24,279)	\$ (22,172)	\$ (20,139)	\$ (19,020)	\$ (18,735)	\$ (28,191)
General Revenues and Transfers Governmental Activities: Taxes										
Property taxes	\$ 5,775	\$ 5,685	\$ 5,551	\$ 5,632	\$ 5,653	\$ 5,723	\$ 5,579	\$ 5,805	\$ 5,934	\$ 12,789
Sales taxes	13,307	13,557	13,749	14,291	13,485	14,390	15,717	17,081	19,441	22,515
Energy sales and use tax Transient room tax	3,232 30	3,296 32	3,252 35	3,294 39	3,200 42	3,092 43	3,002 39	2,929 39	2,926 45	3,142 41
Unrestricted investment earnings	135	93	90	122	233	391	655	552	165	213
Gain on sale of capital assets	18	6	71	557	3	59	21	150	111	107
Loss on forgiveness of interfund note	-	-		(1,544)	-	-	_	-	-	-
Transfers	(343)	(220)	(254)	(156)	(36)	(51)	2,151			
Total governmental activities	22,154	22,449	22,494	22,235	22,580	23,647	27,164	26,556	28,622	38,807
Business-type Activities:										

Governmental activities	\$ (3,026)	\$ 293	\$ (1,634)	\$ 410	\$ (1,432)	\$ 1,891	\$ 5,998	\$ 6,753	\$ 10,423	\$ 16,074
Business-type activities	763	(14)	(63)	 1,799	(218)	(319)	(1,104)	 796	 (519)	(5,428)
Total change in net position	\$ (2,263)	\$ 279	\$ (1,697)	\$ 2,209	\$ (1,650)	\$ 1,572	\$ 4,894	\$ 7,549	\$ 9,904	\$ 10,646

15

156

1,544

1,715

\$ 23,950

13

36

49

\$ 22,629

15

31

51

97

\$ 23,744

20

(2,151)

(2,131)

\$ 25,033

13

13

\$ 26,569

17

17

\$ 28,639

12

18

30

\$ 38,837

25

220

245

\$ 22,694

343

352

\$ 22,506

11

254

265

\$ 22,759

Source: South Salt Lake Finance Department

Unrestricted investment earnings

Gain on forgiveness of interfund note

Total general revenues and transfers

Gain on sale of capital assets

Total business-type activities

Change in Net Position

Transfers

^{*} n/a - Not applicable, Solid Waste Collection program began July 1, 2014

CITY OF SOUTH SALT LAKE GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE

Last Ten Fiscal Years (accrual basis of accounting) (amounts expressed in thousands)

Fiscal	Pro	operty	Sales	nergy s and Use		nsient oom	
Year		Tax	Tax	Tax	T	ax	 Total
2013	\$	5,775	\$ 13,307	\$ 3,232	\$	30	\$ 22,344
2014		5,685	13,557	3,296		32	22,570
2015		5,551	13,749	3,252		35	22,587
2016		5,632	14,291	3,294		39	23,256
2017		5,653	13,485	3,200		42	22,380
2018		5,723	14,390	3,092		43	23,248
2019		5,579	15,717	3,002		39	24,337
2020		5,805	17,081	2,929		39	25,854
2021		5,934	19,441	2,926		45	28,346
2022		12,789	22,515	3,142		41	38,487

Source: South Salt Lake Finance Department

CITY OF SOUTH SALT LAKE FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years (modified accrual basis of accounting) (amounts expressed in thousands)

a 17 1	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund Unassigned Restricted	\$ 3,606	\$ 3,573	\$ 3,573	\$ 4,085	\$ 4,350	\$ 4,372	\$ 6,797 2,873	\$ 8,303 3,088	\$ 9,710 3,705	\$ 14,385 3,858
Total general fund	\$ 3,606	\$ 3,573	\$ 3,573	\$ 4,085	\$ 4,350	\$ 4,372	\$ 9,670	\$ 11,391	\$ 13,415	\$ 18,243
All other governmental funds Assigned Restricted	\$ 22,180 2,461	\$ 22,636 3,011	\$ 20,261 2,698	\$ 19,063 1,601	\$ 16,771 2,349	\$ 16,978 2,655	\$ 16,934 1,291	\$ 18,286 3,354	\$ 22,605 5,488	\$ 22,464 5,372
Total all other governmental funds	\$ 24,641	\$ 25,647	\$ 22,959	\$ 20,664	\$ 19,120	\$ 19,633	\$ 18,225	\$ 21,640	\$ 28,093	\$ 27,836

Source: South Salt Lake Finance Department

CITY OF SOUTH SALT LAKE CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(modified accrual basis of accounting)

(amounts expressed in thousands)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues										
Taxes	\$ 22,328	\$ 22,521	\$ 22,564	\$ 23,164	\$ 22,276	\$ 23,050	\$ 24,245	\$ 25,718	\$ 28,329	\$ 32,576
Licenses and permits	933	1,067	1,301	1,595	1,883	1,690	2,346	2,848	1,994	1,533
Intergovernmental	1,786	4,490	3,543	2,850	3,905	3,527	5,659	7,275	11,473	8,504
Charges for services	540	592	277	337	639	543	1,883	3,099	2,449	3,061
Fines and forfeitures	1,234	1,086	979	921	937	917	760	700	525	639
Investment earnings	132	90	84	118	227	382	641	532	163	211
Miscellaneous	997	842	1,016	1,000	666	1,167	1,675	2,079	890	958
Total revenues	27,950	30,688	29,764	29,985	30,533	31,276	37,209	42,251	45,823	47,482
Expenditures										
Current:										
General government	4,566	4,538	4,666	4,544	4,662	4,864	4,803	4,436	5,106	5,585
Public safety	12,782	12,705	12,762	12,706	13,039	13,320	15,414	17,595	18,464	20,886
Highways and public improvements	3,695	3,813	3,815	3,547	4,861	4,304	3,992	4,584	5,447	5,560
Parks, recreation and culture	1,728	2,024	2,447	2,926	3,217	3,323	3,350	2,859	2,993	4,047
Redevelopment	314	242	4,722	1,804	1,863	-	1,075	1,531	14	403
Debt service:										
Principal	693	712	936	930	642	974	1,021	864	805	760
Interest and fiscal charges	791	895	676	653	628	599	563	524	430	349
Bond issuance costs	-	-	-	-	-	-	-	-	191	-
Capital outlay	6,926	5,888	2,717	3,527	2,959	3,379	8,253	4,855	4,988	5,465
Total expenditures	31,495	30,817	32,741	30,637	31,871	30,763	38,471	37,248	38,438	43,055
Excess (Deficiency) of Revenues										
over (under) Expenditures	(3,545)	(129)	(2,977)	(652)	(1,338)	513	(1,262)	5,003	7,385	4,427

CITY OF SOUTH SALT LAKE CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS (CONTINUED)

Last Ten Fiscal Years

(modified accrual basis of accounting)

(amounts expressed in thousands)

	2	2013	:	2014	2015	2016	2017	2	2018	2019	2020	2021	2	2022
Other Financing Sources (Uses)				<u> </u>			 							
Transfers in	\$	-	\$	-	\$ -	\$ -	\$ -	\$	-	\$ 2,152	\$ -	\$ -	\$	-
Transfers out		(343)		(220)	(254)	(1,700)	(36)		(51)	-	-	-		-
Proceeds from loans/bonds		-		-	-	-	-		-	-	-	9,100		-
Premium on refunding bonds		-		-	-	-	-		-	-	-	1,482		-
Capital leases		-		997	420	-	80		-	-	-	-		-
Sale of capital assets		27		326	122	570	14		73	127	133	123		144
Payment to refunded bond escrow agent					 	 	 			 	 	 (10,590)		
Total other financing sources (uses)		(316)		1,103	 288	(1,130)	 58		22	 2,279	 133	 115		144
Net change in fund balances	\$	(3,861)	\$	974	\$ (2,689)	\$ (1,782)	\$ (1,280)	\$	535	\$ 1,017	\$ 5,136	\$ 7,500	\$	4,571
Debt service as a percentage of noncapital expenditures		6.0%		6.4%	5.4%	5.8%	4.4%		5.7%	5.2%	4.2%	3.5%		2.9%

Source: South Salt Lake Finance Department

CITY OF SOUTH SALT LAKE GENERAL GOVERNMENTAL FUND TAX REVENUES BY SOURCE

Last Ten Fiscal Years (modified accrual basis of accounting) (amounts expressed in thousands)

Fiscal Year	operty ax (a)	Sales Tax	Inergy s and Use Tax	Ro	nsient oom Cax	Total
2013	\$ 5,759	\$ 13,307	\$ 3,232	\$	30	\$ 22,328
2014	5,635	13,557	3,297		32	22,521
2015	5,528	13,749	3,252		35	22,564
2016	5,540	14,291	3,294		39	23,164
2017	5,549	13,485	3,200		42	22,276
2018	5,524	14,390	3,093		43	23,050
2019	5,488	15,717	3,002		39	24,246
2020	5,669	17,081	2,929		39	25,718
2021	5,917	19,441	2,926		45	28,329
2022	6,878	22,515	3,142		41	32,576

⁽a) Includes delinquent collections and motor vehicle apportionment.

Source: South Salt Lake Finance Department

CITY OF SOUTH SALT LAKE SALES TAX REVENUE ALLOCATION BY FUND

Last Ten Fiscal Years (in thousands of dollars)

Year	ieneral Fund	Impr	Capital covements	Debt	es Tax Service Jund	 Total
2013	\$ 10,267	\$	2,993	\$	47	\$ 13,307
2014	10,336		2,866		355	13,557
2015	10,651		2,739		359	13,749
2016	10,599		3,349		343	14,291
2017*	10,371		3,114		-	13,485
2018	11,469		2,921		-	14,390
2019	12,497		3,220		-	15,717
2020	11,444		5,637		-	17,081
2021	14,437		5,004		-	19,441
2022	19,546		2,969		-	22,515

Sources: South Salt Lake Finance Department Utah State Tax Commission

^{*} Sales tax pledged debt was retired at 6/30/16 making an allocation to the Sales Tax Debt Service Fund unnecessary beginning in FY 2017.

CITY OF SOUTH SALT LAKE DIRECT AND OVERLAPPING SALES TAX RATES

Last Ten Fiscal Years

Fiscal Year	City of South Salt Lake Local Option	Salt Lake County Option	State of Utah	County Wide Mass Transit	Botanical Cultural, Zoo	Total Sales Tax Rate
2013	1.20%	0.50%	4.75%	0.50%	0.10%	7.05%
2014	1.20%	0.50%	4.75%	0.50%	0.10%	7.05%
2015	1.20%	0.50%	4.75%	0.50%	0.10%	7.05%
2016	1.20%	0.50%	4.75%	0.50%	0.10%	7.05%
2017	1.20%	0.50%	4.75%	0.50%	0.10%	7.05%
2018	1.20%	0.50%	4.75%	0.50%	0.10%	7.05%
2019	1.20%	0.50%	4.85%	0.80%	0.10%	7.45%
2020	1.20%	0.50%	4.85%	0.80%	0.10%	7.45%
2021	1.20%	0.50%	4.85%	0.80%	0.10%	7.45%
2022	1.20%	0.50%	4.85%	0.80%	0.10%	7.45%

Source: Utah State Tax Commission

CITY OF SOUTH SALT LAKE PRINCIPAL SALES TAXPAYERS

June 30, 2022 and June 30, 2013

Taxpayer	2022 Rank	Type of Sales
Tesla Motors	1	Auto Sales
RC Willey Home Furnishings	2	Retail Sales
Mountain Land Design	3	Construction Supply
Mountainland Supply	4	Construction Supply
Prestman Auto	5	Auto Sales
Mark Miller Subaru	6	Auto Sales
Salt Lake Valley Chrysler Dodge	7	Auto Sales
Border States Industries	8	Industrial Supply
Salt Lake Valley Buick GMC	9	Auto Sales
Royal Wholesale Electric	10	Industrial Supply
	2012	
Taxpayer	2013 Rank	Type of Sales
Taxpayer RC Willey Home Furnishings		Type of Sales Retail Sales
	Rank	
RC Willey Home Furnishings	Rank 1	Retail Sales
RC Willey Home Furnishings Mark Miller Subaru	Rank 1 2	Retail Sales Auto Sales
RC Willey Home Furnishings Mark Miller Subaru Best Buy	1 2 3	Retail Sales Auto Sales Retail Sales
RC Willey Home Furnishings Mark Miller Subaru Best Buy Low Book Sales	Rank 1 2 3 4	Retail Sales Auto Sales Retail Sales Auto Sales
RC Willey Home Furnishings Mark Miller Subaru Best Buy Low Book Sales WW Grainger	Rank 1 2 3 4 5	Retail Sales Auto Sales Retail Sales Auto Sales Industrial Supply Sales
RC Willey Home Furnishings Mark Miller Subaru Best Buy Low Book Sales WW Grainger Roofers Supply	Rank 1 2 3 4 5	Retail Sales Auto Sales Retail Sales Auto Sales Industrial Supply Sales Construction Supply
RC Willey Home Furnishings Mark Miller Subaru Best Buy Low Book Sales WW Grainger Roofers Supply Hinckley Dodge	Rank 1 2 3 4 5 6 7	Retail Sales Auto Sales Retail Sales Auto Sales Industrial Supply Sales Construction Supply Auto Sales

Utah State Tax Commission rules prohibit the City from disclosing annual amounts

Source: Utah State Tax Commission

CITY OF SOUTH SALT LAKE RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

(amounts expressed in thousands, except per capita amounts)

		Go	vernmental Activ	rities		Bus	siness-Type Activ	vities			
Fiscal Year	General Obligation Bonds	Sales Tax Revenue Bonds	Excise Tax Revenue Bonds	Capital Lease Obligations	Notes Payable	Water Revenue Bonds	Sewer Revenue Bonds	CVWRF Bonds Obligation	Total Primary Government	Percentage of Household Income	Per Capita
2013	\$ -	\$ 1,026	\$ 14,740	\$ 208	\$ -	\$ 1,528	\$ 885	\$ -	\$ 18,387	7.23%	766
2014	-	687	14,465	1,103	-	1,374	801	-	18,430	7.25%	768
2015	-	340	14,170	1,230	-	1,216	716	-	17,672	6.95%	736
2016	-	-	13,855	955	-	1,054	631	-	16,495	5.80%	660
2017	-	-	13,515	734	-	889	308	-	15,446	5.43%	618
2018	-	-	12,850	425	-	720	246	2,765	17,006	5.98%	680
2019	-	-	12,145	109	-	546	185	2,745	15,730	5.53%	629
2020	-	-	11,390	-	-	368	124	2,692	14,574	3.69%	561
2021	-	-	10,457	-	-	186	3,345	2,613	16,601	3.64%	615
2022	-	-	9,453	-	-	-	3,833	4,900	18,186	3.59%	674

Sources: South Salt Lake Finance Department United States Bureau of Census

CITY OF SOUTH SALT LAKE RATIOS OF GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

	General Obligation	Less: Amounts Available in Debt		Percentage of Estimated Actual	
Fiscal Year	Bonds	Service Fund	Total	Taxable Value	Per Capita
2022	n/a	n/a	n/a	n/a	n/a

Note: The City of South Salt Lake has not issued General Obligation Debt in the past ten years.

CITY OF SOUTH SALT LAKE DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

As of June 30, 2022

(amounts expressed in thousands)

Governmental Unit	2020 Taxable Value]	nth Salt Lake's Portion of nxable Value	Estimated Percentage Applicable (a)	U	overnmental nit's General Obligation Debt	City's Portion of General Obligation Debt		
State of Utah	\$	340,706,436	\$	2,759,722	0.81%	\$	2,152,925	\$	17,439	
Central Utah Water										
Conservancy District		199,165,341		3,289,929	1.65%		185,295		3,061	
Salt Lake County		187,856,919		3,289,929	1.75%		167,012		2,925	
Granite School District		34,183,324		3,289,929	9.62%		232,355		22,363	
Total							2,737,587		45,788	
Less: State of Utah (b)							(2,152,925)		(17,439)	
Total overlapping debt						\$	584,662	\$	28,349	
Direct Debt (c):										
Excise Tax Revenue Bonds								\$	8,340	
Total direct debt									8,340	
Total direct and overlapping	ng del	ot						\$	36,689	

Sources:

Utah State Auditor Salt Lake County Auditor Utah State Tax Commission

⁽a) South Salt Lake's estimated percentage applicable is determined by calculating the percentage of the City's taxable value compared to the other governmental units' taxable value.

⁽b) The State of Utah does not levy property tax for payment of general obligation debt.

⁽c) The City of South Salt Lake has no direct outstanding general obligation debt.

CITY OF SOUTH SALT LAKE LEGAL DEBT MARGIN INFORMATION

Last Ten Years

(amounts expressed in thousands)

	 2013		2014	 2015		2016		2017		2018		2019		2020		2021		2021
Debt Limit	\$ 70,592	\$	75,487	\$ 75,492	\$	82,037	\$	95,021	\$	107,054	\$	124,041	\$	136,826	\$	137,274	\$	171,272
Total Net Debt Applicable to Limit (a)	 	_		 									_		_		_	
Legal Debt Margin	\$ 70,592	\$	75,487	\$ 75,492	\$	82,037	\$	95,021	\$	107,054	\$	124,041	\$	136,826	\$	137,274	\$	171,272
Total Debt Applicable to the Limit as a percentage of Debt Limit (b)	n/a		n/a	n/a		n/a		n/a		n/a		n/a		n/a		n/a		n/a

Legal Debt Margin Calculation for 2022

Taxable Value All Property \$ 4,281,812

Debt Limit (4% of reasonable fair cash value) (c)
Debt applicable to limit:
General Obligation Bonds
Legal Debt Margin \$ 171,272

Sources: Salt Lake County Auditor Utah State Tax Commission

⁽a) The city has not issued General Obligation Bonds in the past ten years.

⁽b) Not Applicable

⁽c) The Utah State Constitution (Article 14, section 4) limits debt limit at 4% of taxable property.

CITY OF SOUTH SALT LAKE PLEDGED-REVENUE COVERAGE

Last Ten Fiscal Years

(amounts expressed in thousands)

Water Revenue Bonds

				Less:	Net						
	Water Charges		Operating Expenses		Available Revenue			Debt			
Fiscal Year							Principal		Interest		Coverage
2013	\$	2,427	\$	1,551	\$	876	\$	150	\$	38	4.66
2014		2,340		1,613		727		154		35	3.85
2015		2,291		1,712		579		158		31	3.06
2016		2,270		1,683		587		162		27	3.11
2017		2,401		1,649		752		165		23	4.00
2018		2,335		1,871		464		169		19	2.47
2019		2,510		2,171		339		174		15	1.79
2020		2,521		2,115		406		178		11	2.15
2021		2,498		1,888		610		182		7	3.23
2022		2,238		2,232		6		186		3	0.03

State Sewer Loan/Central Valley Taxable Bonds

]	Less:	Net						
	Sewer Charges		Operating Expenses		Ava	Available		Debt			
Fiscal Year					Rev	venue	Principal		Interest		Coverage
2013	\$	1,242	\$	946	\$	296	\$	83	\$	11	3.15
2014		1,294		1,128		166		85		10	1.75
2015		1,292		1,102		190		85		9	2.02
2016		1,615		1,188		427		85		9	4.54
2017(a)		2,130		1,475		655		323		8	1.98
2018		2,072		1,863		209		61		-	3.43
2019		2,854		1,944		910		61		-	14.92
2020		2,835		2,097		738		61		-	12.10
2021		3,549		1,905		1,644		61		-	26.95
2022		3,531		1,882		1,649		61		-	27.03

Public Safety Sales Tax Revenue Bonds

	Sale	es Tax			1	Vet					
	and Other Revenue		Less: Expenses		Available Revenue			Debt			
Fiscal Year							Principal		Interest		Coverage
2013(b)	\$	47	\$	3	\$	44	\$	335	\$	23	0.12
2014		355		3		352		335		17	1.00
2015		359		3		356		345		10	1.00
2016		343		-		343		340		3	1.00
2017		-		-		-		-		-	-
2018		-		-		-		-		-	-
2019		-		-		-		-		-	-
2020		-		-		-		-		-	-
2021		-		-		-		-		-	-
2022		-		-		-		-		-	-

CITY OF SOUTH SALT LAKE PLEDGED-REVENUE COVERAGE (Continued)

Last Ten Fiscal Years

(amounts expressed in thousands)

Excise Tax and Tax Increment Revenue Bonds

Net Excise Tax Less: Available Debt Service Fiscal Year Principal Revenue Expenses Revenue Interest Coverage \$ 2013 3,232 \$ 3,231 260 \$ 657 3.52 2014 3,296 1 3,295 275 645 3.58 295 2015 3,252 1 3,251 633 3.50 2016 3,294 1 3,293 315 619 3.53 2017 3,200 1 3,199 340 605 3.39 2018 3,093 1 3,092 665 583 2.48 2019 3,002 1 3,001 705 2.39 552 2,929 1 2,928 755 522 2.29 2020 2,925 805 430 2.37 2021(c) 2,926 1 2022 3,142 1 3,141 760 349 2.83

Source: South Salt Lake Finance Department

⁽a) In FY 2017, the City paid off the outstanding balance of the Central Valley Water Reclamation Facility bonds.

⁽b) In FY 2013, approximately \$314,000 of fund balance was utilized for debt service.

⁽c) In FY 2021, the City refunded the Excise Tax and Tax Increment Revenue Bonds Series 2010 with proceeds from the Series 2020 Refunding bonds.

CITY OF SOUTH SALT LAKE DEMOGRAPHIC AND ECONOMIC STATISTICS

Year	1990	1994	2000(a)	2010	2019	2020
Population	10,129	10,693	22,038	23,617	25,582	26,777
				One Race		
		One Race	One Race	Pacific		
Population	Once Race	African	Native	Islander/	One Race	Two or More
Breakdown	White	American	American	Asian	Other	Races
2020	58.8%	6.3%	2.2%	1.6%	11.5%	19.6%

2020 Number of households - 9,544

2020 Average household size - 2.5

2020 Median household income - \$47,813

2020 Percentage of South Salt Lake households living in poverty - 18.7%

2020 Share of Salt Lake County Residents that live in South Salt Lake - 2.2%

2020 Share of Utah residents that live in South Salt Lake - .8%

2020 Estimated ratio of police officers per South Salt Lake resident - 1:377

2020 Estimated employment rate in Utah was 66.5%

(a) In 1998 the City annexed approximately two square miles and 9,000 residents.

Sources: Wasatch Front Regional Council

Utah State Governor's Office of Planning and Budget

U.S. Bureau of Census

Ten Year Demographic Information is Not Available Personal Income Information is Not Available

CITY OF SOUTH SALT LAKE DEMOGRAPHIC AND ECONOMIC STATISTICS

Top Ten Employers June 30, 2022 and June 30, 2013

Employer - 2022 Rank	Type of Business	Number of Employees
Salt Lake County Sheriff's Office	Public Safety Office	500-999
Daily's Premium Meats	Food Processing	500-999
OLL Services LLC	Employment Services	500-999
Unified Fire Authority	Public Safety Office	500-999
Utah Transit Authority	Public Transportation	500-999
Labormax Staffing	Employment Services	250-499
R C Willey Home Furnishings	Retail Home Furnishings	250-499
Taylor Electric	Construction	250-499
Westech Engineering	Construction	250-499
Backroads Utah, Inc.	Tourism	100-249
Employer - 2013 Rank	Type of Business	Number of Employees
Employer - 2013 Rank Marriott Guest Services		
	Business	Employees
Marriott Guest Services	Business Property Lessors	Employees 500-999
Marriott Guest Services Utah Transit Authority	Business Property Lessors Public Transportation	Employees 500-999 500-999
Marriott Guest Services Utah Transit Authority Salt Lake County Sheriff's Office	Business Property Lessors Public Transportation Public Safety Office	Employees 500-999 500-999
Marriott Guest Services Utah Transit Authority Salt Lake County Sheriff's Office Select Portfolio Servicing	Property Lessors Public Transportation Public Safety Office Mortgage Services	500-999 500-999 500-999 400-499
Marriott Guest Services Utah Transit Authority Salt Lake County Sheriff's Office Select Portfolio Servicing Granite School District	Business Property Lessors Public Transportation Public Safety Office Mortgage Services Public Education Office	Employees 500-999 500-999 500-999 400-499 400-499
Marriott Guest Services Utah Transit Authority Salt Lake County Sheriff's Office Select Portfolio Servicing Granite School District Seaboard Foods	Business Property Lessors Public Transportation Public Safety Office Mortgage Services Public Education Office Food Manufacturing	Employees 500-999 500-999 500-999 400-499 400-499 250-399
Marriott Guest Services Utah Transit Authority Salt Lake County Sheriff's Office Select Portfolio Servicing Granite School District Seaboard Foods RC Willey	Property Lessors Public Transportation Public Safety Office Mortgage Services Public Education Office Food Manufacturing Retail Home Furnishings	Employees 500-999 500-999 500-999 400-499 400-499 250-399 250-399

Sources: South Salt Lake Chamber of Commerce

South Salt Lake Community Development Department

CITY OF SOUTH SALT LAKE FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION

Last Ten Fiscal Years

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Function										
General Government:										
Administration (a)	30.5	30.5	29	26.5	26.5	28.5	28	28	30	32
Court	8	8	8	7.5	7.5	7.5	8	7.5	8	7
Public Safety:										
Police	73	70	77	75	77.5	76.5	86	84	85	95
Fire	51	51	54	55	53	54	60	68	68	65
Homeless Strategies	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	2
Urban Livability	8	8	9	6.5	7.5	7.5	8	7.5	7.5	7.5
Highways and Public										
Improvements:										
Streets & Highways	20	20	20	21.5	17	17	19	16	16	11
Engineering	1	1	1	2	3	3	5	8	9	8
Community Develop.	8	8	8	9.5	10.5	10.5	10.5	12	12	12
Parks, Recreation and Cul	lture:									
Neighborhoods (e)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	13
Parks	4	4	3	N/A						
Public Assets (d)(f)	N/A	N/A	N/A	8.5	14	14	13	14	13	6
Recreation (b)	33	5	4	8	8	8	7	7	7	10
Promise SSL (c)	-	26	27	63.5	82	73	68	54	46	55
Water	7	7	7	8	7	7	7	8	8.5	9
Sewer	3	3	3	3	3	3	3	3	3.5	5
Total	246.5	241.5	250.0	294.5	316.5	309.5	322.5	317.0	313.5	337.5

⁽a) Includes Administration, City Council, City Attorney

Source: South Salt Lake Human Resources

⁽b) Beginning in 2010, additional federal afterschool program grants were received which resulted in FTE increases.

⁽c) In 2014, the Promise SSL program was split from the Recreation Department. Promise SSL manages the afterschool programs that are financed primarily by federal and private grants. Most of the employees are part-time, which have been converted to FTE's for this report.

⁽d) In FY 2016 the Public Assets department was created and contains 3 divisions: Fleet, Parks, and Facility Maintenance.

⁽e) In FY 2022 the Neighborhoods department was created and contains the Parks, Facility Maintenance, and Neighborhood Outreach divisions.

⁽f) In FY 2022 the Public Assets department was restructured and renamed to Fleet. It houses fleet acquisition and fleet maintenance.

CITY OF SOUTH SALT LAKE OPERATING INDICATORS BY FUNCTION

Last Ten Fiscal Years

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Function										
Police										
Total Calls	46,710	44,706	47,928	50,628	47,327	48,012	45,527	50,207	48,319	44,277
Violent Crimes	908	1,045	868	893	810	861	901	929	987	899
Property Crimes	2,640	2,801	2,591	3,081	2,883	2,955	2,705	3,143	3,570	2,850
Traffic Citations	6,664	4,558	4,639	6,377	6,269	5,201	3,270	3,317	1,953	3,353
Fire										
Total Calls	4,990	4,858	5,187	5,453	5,616	5,477	5,633	6,152	7,168	7,351
Number of Fires	71	64	150	159	158	153	136	147	227	194
Medical Calls	3,931	3,778	4,012	4,337	4,378	4,250	4,563	5,129	6,022	6,186
Avg Response Time	3.9 minutes	4.1 minutes	4.1 minutes	4.3 minutes	4.4 minutes	5.0 minutes	5.0 minutes	5.8 minutes	5.8 minutes	6.2 minutes
Justice Court										
Total Cases Filed	8,316	6,897	6,435	6,772	6,821	7,024	6,243	6,167	7,582	6,612
Comm Service Hours Levied	20,694	13,530	12,183	10,935	9,417	3,156	5,525	2,285	395	1,113
Building & Zoning										
Building Permits	492	540	582	955	1,081	1,103	1,147	734	808	646
Business Licenses	2,850	3,028	3,294	3,306	3,275	3,349	3,596	3,388	3,080	3,308
Construction Value		\$ 19,594,621	\$ 44,460,032	\$ 60,198,705	\$ 91,819,843	\$ 74,207,323	\$ 75,194,358	\$ 196,580,682	\$ 83,782,691	\$ 101,322,025
Administration										
A/P Checks	5,680	5,345	5,904	5,665	5,437	5,701	5,258	5,672	4,554	4,788
Payroll Checks	8,026	8,387	8,579	8,256	10,062	9,188	9,716	8,734	8,832	9,161
Utility Billings	46,779	46,631	47,045	47,239	47,888	48,173	48,030	49,572	48,706	52,442

CITY OF SOUTH SALT LAKE OPERATING INDICATORS BY FUNCTION (CONTINUED)

Last Ten Fiscal Years

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
City Attorney										
Traffic Cases Prosecuted (b)	207	2,159	6,352	4,756	5,167	4.946	4.060	4,020	4,775	4,426
DUI Cases Prosecuted (b)	163	405	375	365	334	290	207	218	236	229
Criminal Cases Prosecuted	287	1,762	863	1,445	1,077	1,538	1,449	1,758	2,807	1,957
Criminal Cases Floseculed	207	1,702	803	1,443	1,077	1,336	1,449	1,736	2,807	1,937
Public Works										
Road Improvements 1	,645,010 sq ft	2,545,249 sq ft	4,827,146 sq ft	3,678,883 sq ft	2,078,568 sq ft	4,816,309 sq ft	3,267,385 sq ft	2,347,035 sq ft	2,818,975 sq ft	4,581,507 sq ft
Concrete Improvements	9,128 sq ft	5,731 sq ft	9,260 sq ft	12,372 sq ft	22,368 sq ft	16,234 sq ft	11,294 sq ft	7,468 sq ft	13,947 sq ft	35,757 sq ft
Curbside Cleanup Tons (a)	142 tons	261 tons	283 tons	293 tons	302 tons	267 tons	281 tons	288 tons	234 tons	247 tons
Water	105 '''	400 1111		-10 'W'	400 ''''	240 ''''	400 ''''	50.4 ''''	- 40 · · · · ·	500 W
Gallons Produced	495 million	483 million	477 million	512 million	490 million	310 million	488 million	534 million	549 million	503 million
Gallons Purchased	421 million	488 million	364 million	332 million	315 million	447 million	429 million	358 million	332 million	332 million
Water Connections	3,332	3,334	3,381	3,390	3,366	3,356	3,370	3,384	3,395	3,366
Sewer										
Lines Inspected (c)	5,280 ft	_	3,025 ft	75,828 ft	2.735 ft	172,200 ft	_	_	5,865 ft	7,439 ft
Lines Cleaned (c)	5,280 ft	161,000 ft	3,025 ft	75,828 ft	2,735 ft	172,200 ft	_	4,700 ft	5,865 ft	7,065 ft
Total Connections	2,584	2,597	2,624	2,636	2,606	2,619	2,630	2,625	2,627	2,800
Total Commoditions	2,00.	2,007	2,02	2,000	2,000	2,019	2,000	2,020	2,027	2,000
Parks, Recreation and Cul	ture									
Rec. Participants	5,250	4,752	3,981	3,730	3,628	4,096	4,147	3,622	1,058	2,888
Number of Programs	20	21	23	22	21	23	23	21	15	22

⁽a) In fiscal year 2012 the solid waste curbside cleanup program was reduced from two times/year to one time/year.

Source: South Salt Lake Finance Department

⁽b) In fiscal year 2015 a change in software necessitated a change in the way prosecutions are determined. All traffic cases are now considered to be prosecuted

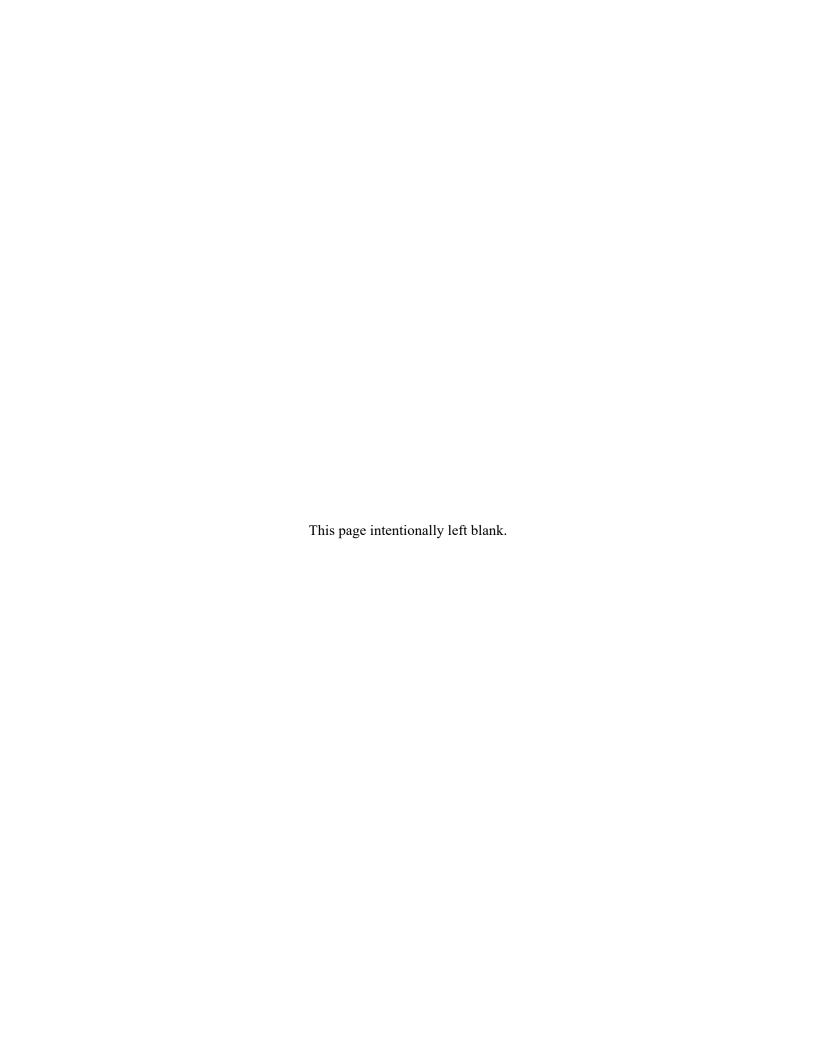
⁽c) In fiscal year 2019 the waste water department did not inspect or clean lines, the focus was on several pipe relining projects.

CITY OF SOUTH SALT LAKE
CAPITAL ASSET STATISTICS BY FUNCTION

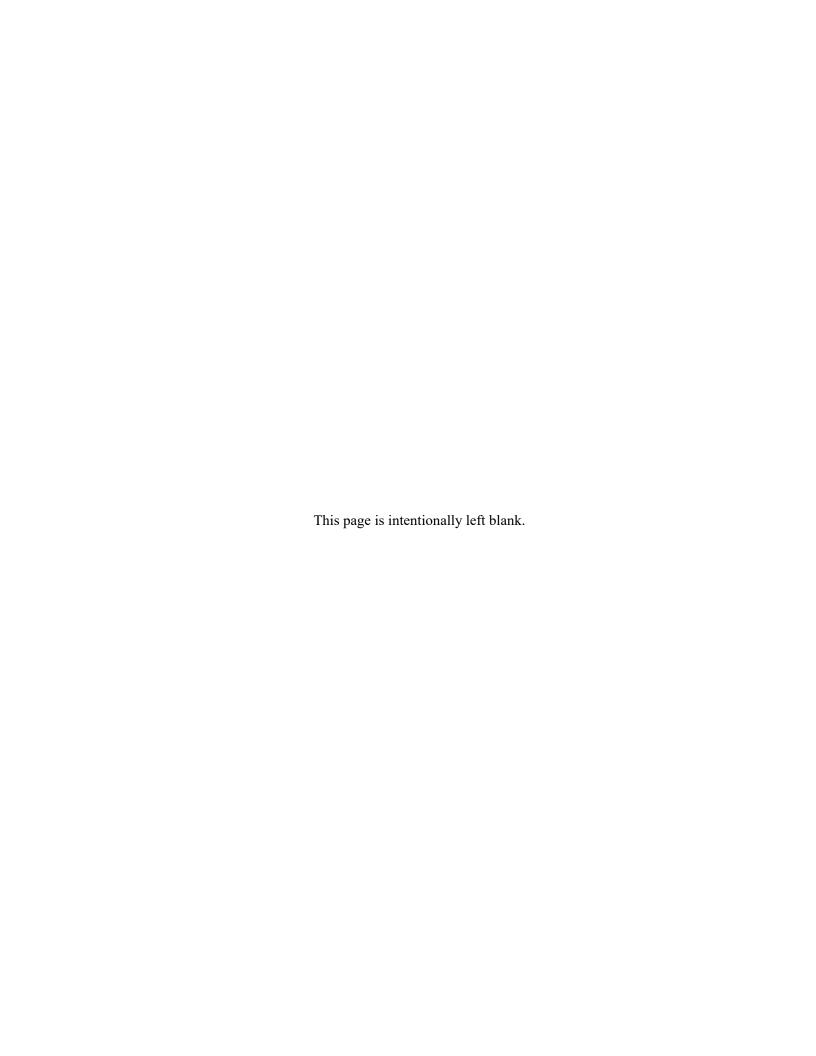
Last Ten Fiscal Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Function											
Public Safety Police:											
Police Stations	1	1	1	1	1	1	1	1	1	1	1
Officer Vehicles	62	62	59	60	60	60	60	71	71	71	86
Animal Shelter Fire:	1	1	1	1	1	1	1	1	1	1	1
Fire Stations	3	3	3	3	3	3	3	3	3	3	3
Fire Apparatus (Medium and Heavy)	6	6	6	6	6	6	6	7	7	7	10
Highways and Public Improvements Streets & Highways:											
Road Miles	75	75	75	75	75	75	75	75	75	75	77
Storm Drain Miles	50	50	50	50	50	50	50	50	50	50	52
Water:											
Water Line Miles	46	46	46	46	46	46	46	46	46	46	50
Fire Hydrants	542	542	542	543	545	549	548	547	549	549	549
Sewer:											
Sewer Line Miles	35	35	35	35	35	35	35	35	35	35	39
Maximum Flow Capacity	3.93	3.93	3.93	3.93	3.93	3.93	3.93	3.93	3.93	3.93	3.93
Monthly Actual Flow Central Valley Facility (millions gallons/day)	2.75	2.90	2.96	3.04	2.98	3.28	3.23	3.72	3.38	2.50	2.26
Parks and Recreation											
Park Acreage Sports Fields	11	12 1	12 1	12 1	12 1	12 1	12 1	13	13	13 1	21
Sports Tieres	-	1	-	•	1	1	1	1	1	•	1

Source: South Salt Lake Finance Department



Single Audit Section





Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Honorable Mayor and City Council City of South Salt Lake South Salt Lake, Utah

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of South Salt Lake as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City of South Salt Lake's basic financial statements, and have issued our report thereon dated December 22, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of South Salt Lake's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of South Salt Lake's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questions costs as item 2022-001, that we consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of South Salt Lake's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

City of South Salt Lake's Response to Findings

Squire 4 Company, PC

The City of South Salt Lake's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The City of South Salt Lake's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Salt Lake City, Utah

December 22, 2022



Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance in Accordance with the Uniform Guidance

Honorable Mayor and City Council City of South Salt Lake South Salt Lake, Utah

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of South Salt Lake's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City of South Salt Lake's major federal programs for the year ended June 30, 2022. The City of South Salt Lake's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City of South Salt Lake complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City of South Salt Lake and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City of South Salt Lake's compliance with the compliance requirements referred to above

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City of South Salt Lake's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our responsibilities are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City of South Salt Lake's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City of South Salt Lake's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and
 perform audit procedures responsive to those risks. Such procedures include examining, on a test
 basis, evidence regarding the City of South Salt Lake's compliance with the compliance requirements
 referred to above and performing such other procedures as we considered necessary in the
 circumstances.
- Obtain an understanding of the City of South Salt Lake's internal control over compliance relevant to
 the audit in order to design audit procedures that are appropriate in the circumstances and to test and
 report on internal control over compliance in accordance with the Uniform Guidance, but not for the
 purpose of expressing an opinion on the effectiveness of the City of South Salt Lake's internal control
 over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2022-002. Our opinion on each major federal program is not modified with respect to this matters. *Government Auditing Standards* requires the auditor to perform limited procedures on the City of South Salt Lake's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The City of South Salt Lake's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify a deficiency in internal control over compliance that we consider to be a significant deficiency.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2022-002, to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed. *Government Auditing Standards* requires the auditor to perform limited procedures on the City of South Salt Lake's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The City of South Salt Lake's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Salt Lake City, Utah December 22, 2022

Squire & Company, PC

CITY OF SOUTH SALT LAKE SCHEDULE OF FINDINGS AND QUESTIONED COSTS

<u>SECTION I – SUMMARY OF AUDITOR'S RESULTS</u>

Financial Statements

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

Material weakness identified Yes

Significant deficiency identified None Reported

Noncompliance material to financial statements noted?

Federal Awards

Internal control over major federal programs:

Material weakness identified No Significant deficiency identified Yes

Type of auditor's report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in

accordance with Uniform Guidance 2 CFR 200.516(a): Yes

Identification of Major Federal Programs

Name of Federal Program (CFDA Number)

COVID-19 – Coronavirus State and Local Fiscal Recovery Funds (21.027)

Dollar threshold used to distinguish between type A and

type B programs: \$750,000

Auditee qualified as low-risk auditee? Yes

SECTION II – FINANCIAL STATEMENT FINDINGS

Finding 2022-001:

Criteria: Generally accepted accounting principles (GAAP) govern the required accounting principles, practices, and reporting and disclosure requirements for local governments. These standards require the adjustment and reconciliation of certain balances at year-end in connection with the City's year-end closing procedures.

Condition and Context: In connection with our audit, we were required to propose a number of corrections and adjustments to certain account balances in order for the accounting and financial reporting to be compliant with GAAP.

Cause: The primary cause of these adjustments was incomplete year-end closing procedures due in part to the transition in finance department leadership as well as staffing challenges encountered during the year.

CITY OF SOUTH SALT LAKE SCHEDULE OF FINDINGS AND OUESTIONED COSTS

Effect or Potential Effect: The required audit adjustments and corrections included material adjustments to capital assets, long-term debt activity, property tax accruals and classifications, grant accruals, compensated absences, cash clearing accounts, transactions related to the City's investment in Central Valley Water Reclamation Facility, impact fees, and net position; as well as the reversal of certain transactions that had been inadvertently recorded twice.

Recommendation: We recommend that year-end closing procedures be enhanced to include a full review reconciliation, and adjustments as necessary, of the City's balance sheet accounts on a timely basis, as well as obtaining any consultation throughout the year that might be necessary with respect to GAAP requirements for reporting and disclosure.

Responsible Official's Response: Management will enhance its procedures at year-end to include a full review and reconciliation of all balance sheet accounts of the City and will make any required adjustments necessary to bring the accounting records into compliance with GAAP presentation. Management will also seek consultation with respect to the requirements of generally accepted accounting principles if and when needed.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Finding 2022-002:

Information on the Federal Program: CFDA Number 21.027 – Coronavirus State and Local Fiscal Recovery Funds, United Stated Department of Treasury. Pass-Through Entity: Utah State Governor's Office of Planning and Budget. Compliance Requirements: Reporting. Type of Finding: Significant Deficiency and Immaterial Noncompliance.

Criteria: Awards granted from *Coronavirus State and Local Fiscal Recovery Funds* require the submission of an annual project and expenditure report, with the initial report due April 30, 2022, and subsequent reports due annually by April 30 each year during the period of performance.

Condition: The City's initial project and expenditure report, due April 30, 2022, has not yet been filed.

Cause: Prior to the issuance of the final rule, which took effect on April 1, 2022, it was management's understanding that the first initial report would not be due until April 30, 2023. Management was not aware that both the interim final rule and the final rule required initial submission of the project and expenditure report by April 30, 2022.

Effect or Potential Effect: The failure to submit the required reporting to the US Treasury results in non-compliance with the reporting requirements of Coronavirus State and Local Fiscal Recovery Funds.

Questioned Costs: None

Recommendation: We recommend that management submit the required initial project and expenditure report to the US Treasury as soon as possible. We also recommend that the subsequent annual report be filed by April 30, 2023.

Responsible Official's Response: Management will file the initial project and expenditure report by December 31, 2022 and will submit all required subsequent reports by their applicable due dates.

CITY OF SOUTH SALT LAKE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2022

Federal Grantor / Pass Through Grantor / Program Title	Federal CFDA Number	Pass-through Identifying Number	Federal Expenditures
U.S. Department of Justice:			
Passed Through Utah Commission on Criminal and Juvenile Justice:			
Crime Victim Assistance	16.575	21VOCA060	125,636
Violence Against Women Formula Grant (Note C)	16.588	19W2119	65,011
Bulletproof Vest Partnership Program	16.607	Various	8,173
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2020-VD-BX-1415	45,696
U.S. Department of Treasury			
Passed Through Utah State Governor's Office of Planning and Budget:			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	None	1,513,823
Environmental Protection Agency			
Passed Through Utah State Department of Environmental Quality:			
Clean Water State Revolving Fund Cluster:			
Capitalization Grant for Clean Water State Revolving Funds	66.458	CS49000119	340,441
U.S. Department of Education:			
Passed Through Utah State Department of Education:			
Twenty-First Century Community Learning Centers	84.287	Various	1,087,409
U.S. Department of Health and Human Services:			
Passed Through Utah Department of Workforce Services:			
TANF Cluster:			
Temporary Assistance for Needy Families	93.558	Various	197,131
CCDF Cluster:			,
Child Care and Development Block Grant (Note D)	93.575	Various	336,628
Passed Through National Alliance on Mental Illness-Utah:			
Block Grants for Community Mental Health Services	93.958	Various	12,801
Passed Through Salt Lake County:			
Block Grants for Prevention and Treatment of			
Substance Abuse	93.959	HLT19SUDSSL	65,518
Total Expenditures of Federal Awards			\$ 3,798,267

CITY OF SOUTH SALT LAKE NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE A – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the City of South Salt Lake under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of Tile 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and/or OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Pass-through entity identifying numbers are presented where available.

NOTE C – VIOLENCE AGAINST WOMEN FORMULA GRANT

In accordance with the grant agreement, the City of South Salt Lake has expended matching contributions totaling \$16,557 during the year ended June 30, 2022.

NOTE D - CHILD CARE AND DEVELOPMENT BLOCK GRANT

In accordance with the grant agreement, the City of South Salt Lake has expended matching contributions totaling \$600,000 during the year ended June 30, 2022.



Independent Auditor's Report on Compliance and Report on Internal Control over Compliance Required by the *State Compliance Audit Guide*

Honorable Mayor and City Council City of South Salt Lake South Salt Lake, Utah

Report on Compliance

We have audited the City of South Salt Lake's compliance with the applicable state compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the State Auditor, for the year ended June 30, 2022.

State compliance requirements were tested for the year ended June 30, 2022 in the following areas:

Budgetary Compliance
Fund Balance
Justice Courts
Restricted Taxes and Other Related
Restricted Revenue

Fraud Risk Assessment Governmental Fees Enterprise Fund Transfers, Reimbursements, Loans, and Services Utah Retirement Systems

Management's Responsibility

Management is responsible for compliance with the state requirements referred to above.

Auditor's Responsibility

Our responsibility is to express an opinion on the City's compliance based on our audit of the state compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States; and the *State Compliance Audit Guide*. Those standards and the *State Compliance Audit Guide* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the state compliance requirements referred to above that could have a direct and material effect on a state compliance requirement occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each state compliance requirement referred to above. However, our audit does not provide a legal determination of the City's compliance with those requirements.

Opinion on Compliance

In our opinion, the City of South Salt Lake complied, in all material respects, with the state compliance requirements referred to above for the year ended June 30, 2022.

Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the state compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the state compliance requirements referred to above to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance with those state compliance requirements and to test and report on internal control over compliance in accordance with the *State Compliance Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or to detect and correct, noncompliance with a state compliance requirement on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a state compliance requirement will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a state compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control and compliance and the results of that testing based on the requirements of the *State Compliance Audit Guide*. Accordingly, this report is not suitable for any other purpose.

Salt Lake City, Utah December 22, 2022

Squire & Company, PC